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Executive Board of the United Nations Development Programme/United Nations Population Fund

Report of the Executive Board on its work during 2001

Economic and Social Council
Official Records, 2001
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Note

Symbols of United Nations documents are composed of capital letters combined with figures.

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Part one
First regular session

Held at United Nations Headquarters in New York on 26 January and from 29 January to 6 February 2001

I. Organizational matters

1. The Executive Board elected the following members of the Bureau of the Board for 2001:

President: H. E. Mr. Gert Rosenthal (Guatemala)

Vice President: Mr. Grant Robertson (New Zealand)

Vice President: Mr. Azanaw Taddesse Abreha (Ethiopia)

Vice President: Mr. Le Hoai Trung (Viet Nam)

Vice President: Mr. Volodymyr Krohkmal (Ukraine)

2. The Executive Board noted the withdrawal of Comoros and the election by the Economic and Social Council of Djibouti to replace it as member of the Board for 2001-2003.

3. The President cited the three interrelated items that the Executive Board had dealt with during the previous year: the reform of UNDP in the framework of the Business Plans, 2000-2003, submitted by the Administrator; resource mobilization; and the mobilizing of political will among donors as well as programme countries. He recalled that political will existed, as demonstrated at the Ministerial Meeting held in September 2000. It was important to give continuity to those three pillars, and to infuse life into the programme, as well as give direction to UNDP to enable it to comply with its commitments to programme countries. With regard to UNFPA, he wished to welcome Ms. Thoraya Obaid, the new Executive Director. During the year, the Board would take up the review of funding commitments and results-based annual reports for both organizations at the annual session 2001, and the biennial budgets for 2002-2003 for UNDP, UNFPA and the United Nations Office for Project Services (UNOPS) at the second regular session in September 2001. He hoped that in the course of the year there would be an opportunity to focus on the policy guidance role of the Executive Board. He encouraged continuation of the efficiency, transparency and spirit of dialogue that had always been a characteristic of the Board's work.

4. The Secretary of the Board introduced the provisional agenda, annotations, list of documents and work plan for the first regular session 2001, contained in document DP/2001/L.1 and Corr.1. She noted that several corrigenda had been issued: DP/2001/4/Corr.1; DP/CCF/BIH/2/Corr.1; DP/CCF/RUS/2/Corr.1, and DP/CRR/YEM/1/Corr.1.and that the revised UNDP strategic results framework 2000 and the profiles of the new regional bureau directors had been distributed. The conference room paper on options for programming instruments at the country level (DP/2001/CRP.1) had been withdrawn so as not to prejudge the outcome of the United Nations Development Group (UNDG) ad hoc working group on programming processes, which would be reported on at the annual session 2001. There had been no request for separate discussion of any of the country cooperation frameworks as per decision 96/7. An informal meeting on the use of the operational

reserve by UNOPS would be held on 31 January. Another informal would be held on 2 February on evaluation partnership with the World Bank.

5. The Chief, Executive Board Branch, UNFPA, informed the Executive Board that Ms. Thoraya Obaid, the new Executive Director of UNFPA would make her first address to the Board on Monday, 5 February. It would be a look at where UNFPA was today, where it was going and the challenges faced by the organization. He noted that the Coordinating Committee on Health would meet in April 2001.

6. The Executive Board approved the agenda (DP/2001/L.1 and Corr. 1) and the revised work plan as distributed and as orally amended.

7. The Executive Board approved the report of the third regular session 2000 (DP/2001/1).

Annual work plan 2001

8. The Secretary of the Executive Board introduced the annual work plan for 2001 contained in document DP/2001/3, noting that it had been finalized on the basis of the comments made on the outline (DP/2000/CRP.13) submitted at the third regular session 2000 and in close consultation with the Bureau of the Board. She noted that in paragraph 5, the reference should be to "2001". There would be three sessions in 2001 for the first time in the Board's history, a reduction of one session. The sessions would address specific issues as far as possible, with organizational and some policy issues at the first regular session; policy and strategy issues at the annual session; and budgetary and financial issues at the second regular session. The work plan 2001 would be amended as needed according to the work of the Board. She noted that each year a joint meeting was held with the United Nations Children's Fund (UNICEF), and with the participation of the World Food Programme (WFP). Feedback from delegations on the joint meetings would be welcomed. A special event would be held at the annual session, focusing on volunteering, on the occasion of the thirtieth anniversary of the United Nations Volunteers programme and the International Year of Volunteers, as agreed at the annual session 2000.

9. She noted that the UNDP items for 2001 built upon the changes in the organization made during 2000. The second results-oriented annual report (ROAR) would be presented at the annual session and linked, for the first time, with the meeting on funding commitments. The sub-goals of the multi-year funding framework (MYFF) to be highlighted in the ROAR 2000 were included in the work plan. The United Nations Capital Development Fund (UNCDF) would present its first ROAR in 2001. A major evaluation on non-core funding would be submitted at the annual session 2001. The biennial budgets for UNDP, UNFPA and UNOPS would be submitted at the second regular session 2001.

10. The Director of the Bureau for Resources and Strategic Partnerships (BRSP) stated that the three categories under the UNDP section covered key areas for the organization, including the follow-up to the Ministerial Meeting, which could affect the agenda of the Executive Board for the rest of the year. There had been tremendous interest in the role of UNDP in crisis and post-conflict situations. He also noted that a report would be submitted on the role of UNDP in information technology at the annual session, at the request of a number of countries. In addition to the traditional annual report to the Board, an illustrated annual report would also be published in time for the annual session. Many important programming documents would be submitted to the Board in 2001, including the second cooperation frameworks for the global programme and for technical cooperation among developing countries. The second ROAR would draw on the progress made in reporting on results at the annual session 2001. At the second regular session 2001, the budget would be presented, with discussion linked to the presentation at the annual session 2001 of a conference room paper on the issues and principles relating to the resource distribution model and allocation system to be looked at in detail in 2002. A note containing the Administrator's response to the evaluation on non-core funding would be presented with the evaluation report. He noted that while the meeting on funding commitments would be held at the annual session, pledges would be expected in writing earlier in the year.

11. The Chief, Executive Board Branch, UNFPA, stated that 2001 would be a year of reflection and transition. As noted in the work plan, a number of existing processes would be examined with reference to lessons learned. At the annual session, UNFPA would present an annual report containing a look at the record in 2000 as well as a report on the implementation of the Fund's MYFF. A situational analysis had been undertaken with regard to the MYFF. Results-based management would be a key theme for UNFPA as it moved forward. It was hoped that announcements of funding commitments, while discussed at the annual session, would be made available in writing by the end of March 2001. There would be an important discussion at the annual session on the programme approval process, with a report on the results of the UNDG ad hoc working group. The information and communication strategy would be reviewed at the annual session 2001.

12. One delegation recalled its statement at the annual session 2000, encouraging UNDP to play a more active role in the effective coordination and implementation of the Integrated Framework for Technical Assistance for Trade-related Activities in LDCs by mainstreaming trade-related matters in development strategies. That delegation, supported by another, requested that an item on the Integrated Framework be included in the work plan for 2001.

13. The Secretary informed the Executive Board that an informal meeting of the Board could be organized before the Third United Nations Conference on the Least Developed Countries, to be held 14-20 May 2001.

14. The Executive Board approved the annual work plan for 2001 (DP/2001/3).

Schedule of future sessions

15. The Executive Board agreed to the following schedule of sessions of the Board in 2001:

Annual session 2001: 11-22 June 2001 (New York)

Second regular session 2001: 10-14 September 2001*

*Subject to the approval of the Committee on Conferences

16. The Executive Board agreed to the work plan for the annual session 2001, as contained in the annex to decision 2001/7.

UNDP segment

II. UNDP Business Plans, 2000-2003

17. The Administrator introduced the reports on the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2) and on the follow-up to the Ministerial Meeting of 11 September 2000 (DP/2001/CRP.3).

18. The Business Plans, 2000-2003, had resulted in the most sweeping overhaul of headquarters ever, the Administrator noted, and the Ministerial Meeting had been highly successful. In 2001, UNDP would commit to map out a resolution to the continuing mismatch between its aspirations, the Board's expectations and the level of resources available. While there had been euphoria generated by the enhanced political will expressed at the Ministerial Meeting and the sense of renewal and momentum inside UNDP, the current level of resources remained a major concern.

19. The Administrator announced the appointments of the new assistant administrators and regional directors for Arab States, Asia and Pacific, and Europe and the Commonwealth of Independent States, Ms. Rima Khalaf-Hunaidi, Mr. Hafiz Pasha and Mr. Kalman Mizsei, respectively. He also announced that Ms. Safiahtou Ba-N'Dow would soon take over as Director of the Special Unit on Technical Cooperation Among Developing Countries.

20. There had been a 14 per cent net reduction in the headquarters workforce, with the full target of 25 per cent on track to be reached by the end of 2001. For the first time in years, UNDP now had less than 1000 staff members based in New York. The Bureau for Development Policy had been restructured and 100 posts had been identified for relocation to the field. Separation agreements had been accepted from 242 staff members. The new Leadership for Development Programme had been launched, beginning the vital process of organizational renewal through the recruitment of 20 new early career professionals. The results-based management concept and tools in programming and management had been internalized. A new environment of performance measurement and accountability had been introduced throughout the organization, with a new personnel evaluation system, including the 360 degree review. He thanked those countries that, in addition to their core budgetary support, had so far provided UNDP with $8.5 million of the total $13 million that was required to complete the Business Plans, 2000-2003.

21. The results of the 2000 global staff survey gave some cause for encouragement. The proportion of people at headquarters who believed that the change process would improve overall performance rose from 40 per cent in 1999 to 54 per cent in 2000, and the proportion in country offices also increased from 58 per cent to 63 per cent. Improved confidence in management and internal communications was also seen. There was also a dramatic improvement in the rating of top management's follow-up on commitments, from 41 per cent to 50 per cent in country offices, and 22 per cent to 44 per cent at headquarters. Over 80 per cent of staff stated that they

were proud to work at UNDP and highly motivated and 90 per cent supported UNDP goals.

22. Nevertheless, much remained to be done, in particular with regard to relations between headquarters and the field. In order to shift from general policy research to real applied advisory services that responded directly to needs in the field, knowledge management systems and personnel were required to live up to that ambition. The network of subregional resource facilities (SURFs) was being expanded to nine locations, with additional staff decentralized from New York. Some 60 policy adviser posts had been identified to be filled by external candidates, through a major recruitment campaign, including advertising in leading global and regional publications.

23. The shift was aimed at making the new UNDP work as the Business Plans, 2000-2003, envisaged. The primary focus areas were democratic governance, poverty eradication, crisis prevention and recovery, sustainable energy and environment, HIV/AIDS and information and communications technology for development.

24. The Administrator described actions being taken at the country level, including cutting core administrative field expenditures by 15 per cent; enhancing advocacy and partnerships; building a new culture of leadership and partnership in country offices through selection of resident representatives/resident coordinators, and streamlining business process and implementation mechanisms.

25. Turning to the decline in core resources, the Administrator underlined that the activities of the new UNDP could not be sustained unless the resource situation turned around. While non-core resources would continue to be mobilized, he noted that the transaction costs of resource mobilization of that kind would be higher and the resources less flexible than core resources. While the political will in favour of core resources had been restored at the Ministerial Meeting, an overall increase, despite 11 donors who had increased their individual contributions in 2000, still was elusive. While up in national currency terms, commitments had dipped a further $18 million in 2000 to $663 million. The impact of the decline in core resources was being felt in core services. As an example, he noted that the core budget dedicated for resident coordinator activities had fallen by 40 per cent since 1998 and UNDP had to draw increasingly on non-core contributions to supplement those key functions. Donors had responded with $1.7 million for coordination activities. Nevertheless, critical core coordination and basic development services should not be reliant on non-core funding, he underlined, noting that 30 per cent of headquarters staff were presently on non-core posts. Moreover, a dynamic supplementary non-core strategy needed the leverage of an adequate core to seed programme initiatives and sustain a credible programmatic base.

26. Underlining the 60 per cent decline in programme resources for Africa since 1992, the Administrator emphasized that the decline in core resources had taken UNDP away from its focus on the poorest countries.

27. Because of the resource situation, the Administrator stated that a second follow-up ministerial meeting was required. There had been positive signals on core funding and recent indications of programmatic support from the European Union. He thanked both the French and Swedish presidencies of the European Union, as well as Commissioner Poul Nielson for their leadership. A follow-up ministerial meeting would take stock of progress and anticipate how future events, such as the Financing for Development Conference, could be used to secure more stable and sustainable United Nations development cooperation to limit the current extreme vulnerabilities of voluntary funding. A ministerial meeting did not need to become a regular annual event, he stated, but while in the longer term one Board session at Director-General level could be the best way to consolidate support, given the current situation, a final push was required.

28. Delegations commended UNDP on the progress made during 2000 to strengthen organizational performance through restructuring, decentralization and enhanced partnerships. Measures to enhance individual performance through the new results and competency assessment were also praised. In that regard, speakers welcomed the attention of the Administrator to enhanced performance at the country level. Several delegations noted that the process had been difficult for UNDP staff and praised their commitment to development and poverty eradication. Speakers warmly welcomed the new regional directors. One delegation noted its contribution of $2.5 million in 2000 for implementation of the Business Plans, 2000-2003.

29. The restructuring of the Bureau for Development Policy and the enhanced use of SURFs and knowledge networks was welcomed. UNDP leadership in global processes such as the Conference on Least Developed Countries and the Financing for Development Conference was strongly encouraged by many speakers. The increased reliance on institutions and expertise based in programme countries was welcomed. Some speakers expressed concern about discontinued activities and underlined that UNDP must meet the needs of its programme countries in the agreed priority areas.

30. Delegations looked forward to reporting on programme results in the context of the results-oriented annual report at the annual session 2001. Progress in instituting results-based management was welcomed. Partnerships with other United Nations organizations, the Bretton Woods institutions and the European Union, particularly at the country level, were encouraged. The key role of UNDP in coordination at the country level was highlighted. Several speakers emphasized the need for UNDP programmes to benefit the countries served according to their individual needs and under the overall coordination of the government. One speaker underlined the importance of joint programming and sector-wide action programmes. Another

speaker requested information on how the efficiency of country offices would be measured.

31. Many speakers underlined the urgent need to mobilize core resources. While political support had been strengthened by the Ministerial Meeting and several donors had increased their contributions, there had not yet been an overall increase in total core resources. One speaker warned that the number of country offices could be reduced if the low level of core funding continued. The need to make a strong case for UNDP with external constituencies such as the media, private sector and civil society, as well as governmental decision-makers and legislators was emphasized. Several speakers noted that their Governments intended to increase or maintain core contributions in 2001. One delegation also announced increased contributions to the United Nations Capital Development Fund and the United Nations Development Fund for Women. Underperforming donors were encouraged to increase their share of core funding to UNDP. Some delegations noted that they paid a considerable amount in government local office costs (GLOC).

32. Many delegations welcomed the thematic trust funds, hoping that they would benefit the least developed countries. One delegation suggested that the trust funds could benefit from private sector donations. Another delegation cautioned that UNDP should not deviate from its main priorities. Several speakers referred to the evaluation on non-core resources that would be submitted to the annual session 2001.

33. While some speakers expressed the preference not to hold another ministerial meeting in 2001, citing staff time and cost, others suggested waiting until the outcome of the funding meeting at the annual session 2001 before making a decision. One delegation favoured a high-level segment at the annual session 2001, when the results-oriented annual report (ROAR) and funding meeting would be taken up. Some delegations were of the view that a ministerial meeting could be held every four years, to coincide with the review of the Business Plans. Another alternative was to hold a meeting of the Bureau of the Board at ministerial level. One delegation emphasized the need to increase the impact of the meeting through an improved format. Another delegation underlined the need to review how the Executive Board should operate in terms of providing political and financial support to UNDP. The expected outcome of another ministerial meeting should also be examined.

34. While one delegation questioned whether implementation of the Secretary-General's Global Compact should be a priority for UNDP or a part of its mandate, another delegation welcomed the implementation of that initiative at the local level. More information on the Civil Society Committee was sought.

Responses

35. Responding to the comments of delegations on the convening of a ministerial meeting in 2001, the Administrator agreed with the speakers who had recommended that the annual session 2001 could include high-level participation during the review of the funding commitments to UNDP, with the results reported thereafter to ministers. If the ministers were of the view that the funding crisis was continuing, they could then meet on an informal basis during the General Assembly. While he agreed that UNDP did not need to be locked into a process involving ministerial participation, he strongly supported having high-level attendance by delegations at the annual sessions and the engagement of ministers in the overall process. It was important to revert to ministers following their participation in the Ministerial Meeting held in 2000.

36. He underlined that non-core funding could not be a substitute for core resources. The thematic trust funds were directed to raising more non-core funding for the priorities of programme countries and would concentrate on areas with maximum demand. In response to the query raised, he noted that during recent years UNDP had begun to build in-house strengths that were competitive with those of specialized agencies, funds and programmes, thereby creating duplication. The United Nations would continue to provide specialist services for development cooperation through strong partnerships with specialized agencies and other partners.

37. The Administrator underlined the outreach to donor countries, through public affairs activities, including outreach to parliaments and non-governmental organizations (NGOs). In response to comments made by delegations, he noted that he had participated in an event involving the "alternative Davos" meeting, in which 10,000 NGO activists had gathered at the time of the World Economic Forum, held in Davos, Switzerland in January 2001. It was clear that a period of new debate on global and national economic policies had begun and UNDP as a development organization had special responsibility to voice views and incorporate them into the global debate.

38. The Associate Administrator underlined the need to have the proper balance in work in crisis countries and with regard to longer-term development. He also underlined the importance of the work of UNDP with the Bretton Woods institutions, in particular with regard to the poverty-reduction strategy papers. He explained, in response to a query, that UNDP was in the process of finalizing the criteria by which resident representatives would be rated on performance. In that regard, sound management practices, building innovative partnerships, managing the available financial resources and ensuring proper coordination were of great importance.

39. The Assistant Administrator and Director of the Bureau for Management thanked the delegations for the supportive and constructive comments. With regard to uneven performance at the country level, which had also been referred to at the Ministerial Meeting, he noted that the reprofiling of the country offices to align them with the Business Plans, 2000-2003, was the first priority of the organization in 2001. The reprofiling included a set of broad goals and also specific targets for each of the 136 country offices. It was hoped that the country offices would have fewer but more skilled staff in the future. In response to the separation of national staff during 2000, it was owing to the shift of staffing among regions, including increased staffing in the Africa and the Eastern Europe and Commonwealth of Independent States regions. Performance issues were another reason for the separations. In 2001, the separation programme would be expanded to country offices; savings would be utilized for the training of country-office staff. The new management culture of performance and results would be consolidated through the new strategic results frameworks and the ROAR while the balanced scorecard would build on the transformational scorecard of the Business Plans, 2000-2003. A strong effort continued with regard to the streamlining of business processes. The policy advisory services would allow country offices to take advantage of the outposted BDP posts and the SURFs and to link with the knowledge networks. He looked forward to informal discussions with the Executive Board on the biennial budget for 2002-2003.

40. The Director of the Bureau for Resources and Strategic Partnerships underlined that partnerships were a key element of the Business Plans, 2000-2003. In response to the query raised, he noted that the Partnerships Survey had been sent on a pilot basis to 17 countries. The results would be shared with the Executive Board at a future time. He also noted that the partnership incentives referred to an offer from the United Kingdom to fund transformative initiatives in which resident representatives could engage in at the country level. It would provide a minimum base support at a time of limited resources. He underlined that partnerships with civil society and the private sector were undertaken in conjunction with governments at the country level. He also underlined the need to ensure enhanced respect for country demand with regard to activities funded through non-core and noted that non-core funding was included in the multi-year funding framework and strategic results framework. He emphasized the need for the Board's support in engaging UNDP in discussions at the regional level, as discussed at the Ministerial Meeting.

41. The Executive Board took note of the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2) and the report on follow-up to the Ministerial Meeting of 11 September (DP/2001/CRP.3), with the comments made.

Role of UNDP in crisis and post-conflict situations

42. The Administrator introduced the report on the role of UNDP in crisis and post-conflict situations (DP/2001/4 and Corr.1). He noted that since the second regular

session 2000, when the Executive Board had first taken up the item, there had been an extensive consultative process.

43. UNDP had a proud record of achievement in its work in crisis and post-conflict situations. The organization was not trying to carve out a new set of interventions or seek any new mandates. Rather, it was aiming to build on its experiences and mainstream work in crisis and post-conflict situations in the broader business practices of UNDP. The organization's neutrality and ability to help to build coalitions for poverty reduction had extraordinary relevance in crisis and post-conflict situations, he underlined, as did its proven abilities to work in sensitive areas such as electoral support, rule of law and national reconciliation. However, UNDP also needed to be a credible operational player, balancing tangible results for the most disadvantaged and vulnerable, with the less tangible, but equally critical role as partner, policy facilitator and capacity-builder at the upstream end. The latter were done in several ways: (a) as chair of the United Nations Development Group and as UNDP, by supporting and strengthening the capacity of country teams and resident coordinators; (b) by playing a special role in helping to bridge the funding and planning gap between humanitarian aid and development assistance; (c) by working through the area development programmes, which provided platforms for multi-agency programming and made use of the special expertise of UNDP in key areas such as de-mining, small arms collection and reintegration; and (d) by improving speed and efficiency by encouraging country teams to exploit the full range of execution options from non-governmental organizations to agencies and where appropriate, direct execution.

44. The Administrator noted that in the report of the Panel on United Nations Peace Operations (the "Brahimi Report"), it had been acknowledged that existing United Nations structures had not been fully utilized to contribute to the development side of peace-building. In that context, UNDP had both the mandate and the commitment to help societies to reduce the incidence and impact of conflict by targeting the social and economic dynamics of vulnerability. Restoration of trust between authorities and the population was equally central to peace-building and preventing the re-emergence of violent conflict. Thus, the governance and capacity-building expertise of UNDP, combined with its operational capability, complemented the political and peacekeeping strategies of the Department of Political Affairs (DPA) and the Department of Peace-keeping Operations (DPKO). Successful partnerships within the United Nations system, including the United Nations Volunteers (UNV) Programme, partner organizations in the United Nations Development Group (UNDG), and the Office for the Coordination of Humanitarian Affairs (OCHA), and with the World Bank were also essential.

45. The report described work in progress, which would require significant continued internal reorganization aligned to core competencies and services. The Emergency Response Division was playing a key role in developing and implementing the strategy, streamlining management and operations support and developing a lighter, more flexible set of programming instruments. Internal consultations with partners were being linked to wider changes that would

consolidate existing skills and knowledge while providing more concrete support to the resident coordinator system, including improved integration of headquarters support for crisis countries, transition recovery teams, and better knowledge networking regarding crisis and post-conflict situations.

46. The Administrator confirmed that the target for resource assignment from the core (TRAC) line 1.1.3 for special development situations would remain at 5 per cent. However, he underlined that with the diminishing resource situation, total TRAC 1.1.3 resources had plunged from approximately $50 million four years before and was less than $20 million in 2001. Non-core resources were becoming increasingly important to maintain a viable crisis and post-conflict agenda for UNDP, but TRAC 1.1.3 resources remained a critical leverage for that type of funding. At the central level alone, the Emergency Response Division had raised some $60 million in non-core resources in 2000 for global trust funds. At least three times that amount had been raised through cost-sharing agreements at the country level.

47. In conclusion, the Administrator stated that while much remained to be done, there was a solid blueprint of what UNDP should be doing and how it should be doing it. It provided a platform for UNDP to fight the corrosive links between poverty, crisis and conflict that had long prevented social and economic progress in many of the poorest parts of the world.

48. Delegations welcomed the report and the statement of the Administrator. Many speakers expressed support for the role of UNDP in crisis and post-conflict situations in areas of its comparative advantage, as outlined in the report. It was noted that one fourth of UNDP programme countries were in crisis or post-conflict situations. Many delegations cited examples of the work UNDP had undertaken in programme countries in crisis and post-conflict situations, including in the aftermath of natural disasters.

49. Many speakers highlighted the important role of UNDP in coordination at the country level through the resident coordinator system. In that regard, one delegation requested further information on how the UNDP role in crisis and post-conflict situations would fit in with the United Nations Development Assistance Framework (UNDAF) and the common country assessment. The role of UNDP in the transition between relief and development was cited as particularly important.

50. Several delegations strongly supported capacity-building and elimination of root causes of poverty as the main role of UNDP in crisis and post-conflict situations. One speaker emphasized the important role of UNDP in good governance, in activities such as the rule of law, national reconciliation, and support to electoral processes. Some delegations felt that there was still need for further clarification on the nature and role of UNDP in crisis and post-conflict situations, particularly in the area of conflict prevention. Others emphasized the key role of UNDP in assessing

and reducing the risk and vulnerability of countries to natural disasters. One delegation requested a more specific strategy for disaster reduction and mitigation at the country and regional levels.

51. Several speakers expressed strong support for the role of UNDP in conflict prevention, in particular with reference to the measures noted in paragraph 45 of document DP/2001/4, and specifically in such areas as controlling the spread of HIV/AIDS. Increased attention to early warning systems for both man-made and natural disasters was advocated by some delegations. Other speakers requested more information on how UNDP would operate in conflict prevention, with some noting that aspects such as the definition of human security had not yet received endorsement by all Member States.

52. Issues relating to crisis and post-conflict activities had direct impact on national development, many speakers underlined. Several speakers emphasized the importance of government ownership of national programmes, emphasizing that UNDP should undertake activities in crisis and post-conflict situations only at the invitation of Governments. One delegation stated that the document could have identified more about past weaknesses, identifying areas where a UNDP role would be marginal in crisis or post-conflict situations. Several delegations supported greater attention to the demonstration of impact in crisis and post-conflict situations, with one speaker proposing the development by UNDP of a programme to assess the impact of conflict.

53. Several speakers stated that consensus had not yet been reached on some of the proposals described in the document, including those emanating from the Brahimi Report, which had not received the endorsement of all Member States. One delegation requested that the discussion of the report be postponed until the annual session 2001.

54. Many speakers emphasized the importance of coordination, cooperation and clear mandates and structures among the organizations of the United Nations system and others such as the World Bank, the European Union and regional organizations (for example, the Organization of African Unity and the Regional Commission for Africa) in the area of crisis and post-conflict situations. In particular, close cooperation was required between UNDP and DPA, OCHA, and DPKO. Some speakers stated that DPA and OCHA did not have an operational role in crisis countries and it was hoped that those departments would see their roles as separate but mutually reinforcing the resident coordinator. Support was expressed for the role of the United Nations Development Group in coordinating the development agenda at headquarters in the crisis and post-conflict area, including with regard to prevention. Future elaboration on how the UNDP role would fit into the UNDAF and CCA processes was sought.

55. One delegation underlined the need for greater analysis of coherence with other actors. The speaker, echoed by others, requested further information on how the UNDP strategy on partnerships related to the Brookings process, which addressed the gap between humanitarian and development aid. Further information was also sought on the relationship with the creation of a peace-building unit in DPA and the discussion on peace-building in the Security Council. Clear definition of the most relevant new partnerships for UNDP was sought, including whether they would include common policy development and joint programming.

56. Some speakers stated that the Humanitarian Coordinator should in some cases be someone other than the resident coordinator. The increased attention to selecting resident coordinators that had humanitarian aid experience was welcomed. One speaker stated that resident coordinators, as special representatives of the Secretary-General, must be evaluated on a case-by-case basis, as suggested in the Brahimi Report.

57. One speaker asked for clarification on the points made in paragraph 8 of document DP/2001/4 and stated that the term "displaced persons" had not been endorsed by the Economic and Social Council. Another speaker stated that it would be difficult for UNDP to report back to the Executive Board on how it had restored security in programme countries, as elaborated in paragraph 36 (d). Another speaker questioned the references in paragraph 39 to support to the rule of law, cautioning UNDP on venturing into areas that carried value judgements.

58. Delegations underlined the difficult resource situation. Some speakers underlined that the five per cent limit under TRAC line 1.1.3 must be maintained so that core funds would not be diverted from other development activities. UNDP was encouraged to identify and implement innovative solutions to funding crisis management. One delegation informed the Executive Board of its intention to provide non-core funding for the work of UNDP in crisis and post-conflict situations. Another delegation requested statistics for core and non-core funding of crisis and post-conflict activities on an annual basis. One speaker called for UNDP to initiate a discussion in the United Nations on the development implications of the current strategies of many donors to target assistance, including debt relief, to countries performing well in economic and social activities, which excluded many countries in crisis and post-conflict situations.

59. Speakers called for the need to build its capacity for operating in crisis and post-conflict situations, including through strengthening the Emergency Response Division and training for resident coordinators and other staff. The integration of crisis and post-conflict work with the regional bureaux and the building of knowledge networks were welcomed. The development of pilot projects such as the transition recovery teams was welcomed. While some delegations welcomed the concept of a global world vulnerability report, others requested further information on the nature of the report.

60. The representative of the International Labour Organization (ILO) elaborated on the work of the ILO in crisis and post-conflict situations. He noted that the ILO, along with other development partners, was more likely to be involved in the early stages of intervention. It was essential to ensure that the reconstruction process provided decent work opportunities to the large numbers of unemployed who suffered from poverty and social exclusion as a result of a crisis. Moreover, the upholding of fundamental rights and principals at work and labour standards needed to be observed. ILO was committed to working with both humanitarian and development organizations to tackle employment and other social and economic impact of crises at all stages.

61. The representative of the United Nations Children's Fund (UNICEF) emphasized the importance of UNDP work for children and youth, in particular in conflict prevention and mitigation of the effects of natural disasters. He underlined the importance of support for fundamental social services at the time of crisis. UNICEF has seconded staff to the country teams and appreciated UNDP bringing in resident coordinators with greater humanitarian experience.

62. The representative of the Office of the United Nations High Commissioner for Refugees (UNHCR) expressed support for document DP/2001/4. He outlined the work of UNHCR in post-conflict situations and encouraged UNDP to help to build the absorptive capacity of societies emerging from conflict so that those societies could take care of their citizens, including returning refugees. It was also hoped that UNDP would build the adaptive capacity of citizens, including returning refugees. UNHCR supported the wish of UNDP to build upon earlier humanitarian programmes to ensure that their inputs became assets for development. UNHCR supported working with UNDP to ensure smooth transitions in crisis situations as early as possible through joint planning activities. The two organizations had both positive and negative experiences to learn from. For example, the Joint Reintegration Programming Unit in Rwanda, the subject of an evaluation, was seen as a relevant and workable model for some crisis situations. Potential joint activities between UNDP and UNHCR in a number of countries were presently under discussion.

63. The Administrator underlined that of 34 countries furthest away from international development goals, 22 had been subject to current or recent conflicts. There was no disagreement that linkages existed between the lack of sustainable development, presence of poverty and conflict situations. UNDP needed to be involved from the perspective of a neutral development organization. He underlined that UNDP was present in countries during all phases of a conflict, before, during and after. The organization needed to maximize inputs during each phase and understand the inequalities that contributed to conflict. UNDP also needed to encourage Governments to adopt development strategies that addressed these roots of conflict and develop models that ensure the delivery of basic services and support post-conflict operational activities in areas such as governance. He stated that the UNDP role in governance was in capacity-building and not in political matters, both in post-conflict situations and in normal situations. He also noted that UNDP was

involved in distribution of materials during emergency situations on a limited scale and in cooperation with OCHA. Specialization had led to coherent partnerships among the various organizations involved in crisis and post-conflict situations. Integration had led to a division of responsibilities. With respect to the gap and the Brookings process, he stated that through its operational responsibilities and resident coordinator role, UNDP was making a significant contribution in the gap period, where there was a need to begin programmes, and at a time when the World Bank and the European Union were not yet able to start their reconstruction programmes. He hoped that UNDP could play a bigger role in the gap period but reliance on non-core resources in that area led to delays in implementation. At the present time of reduced core funding, the reasons for continuing to seek non-core resources for crisis and post-conflict activities remained valid. He welcomed the strong expressions of support for UNDP elaborated during the discussion and re-emphasized that UNDP would not take on any new mandates in the areas of crisis and post-conflict situations.

64. The Associate Administrator noted the caution expressed by some of the delegations during the discussion regarding the mandate of UNDP or possible shifts to political activities or use of new concepts. He would ensure a continued dialogue in the follow-up to the Executive Board session. UNDP currently faced new situations in the area of conflict, which often involved new actors and resulted from internal conflicts. He underlined that poverty eradication and benefit to the most vulnerable groups, building on programming for the future, was of the utmost importance, as referred to in paragraph 35 of document DP/2001/4. There was a clear development perspective in conflict prevention, he noted. He explained that UNDP was involved in the discussion of the Brahimi Report and planned to contribute to fulfilling the recommendations that were accepted within its mandate.

65. The Director of the Emergency Response Division stated that informal discussions would continue with the Executive Board, as many aspects of the discussion were work-in-progress, especially those relating to recommendations of the Brahimi Report and Brookings process. He noted that UNDP participated in a working group with DPKO to define the elements where there could be cooperation with peace-keeping operations. There were also numerous efforts to strengthen the country team in its capacity to deal with humanitarian situations. UNDP was working internally and in cooperation with OCHA on natural disaster preparedness. Consultations with the Board would take place with regard to the production of the first global vulnerability report. UNDP had responded to several national requests for assistance in natural disaster preparedness. He noted that the gap that existed following a crisis situation was not only financial in nature but also involved the lack of capacity. The transitional recovery teams were intended to address that gap and included many partners and focused on recovery over the longer term. The concept would be tested during the coming months. He underlined that the UNDP role in crisis and post-conflict situations was work in progress and there would be ongoing consultations with the Board on the subject.

66. The Executive Board adopted decision 2001/1 (see annex I).

67. One delegation stated that it would not oppose the adoption of the decision on crisis and post-conflict situations but at the same time it would like to make a few comments. First, the speaker stated that the involvement of UNDP in crisis and post-conflict situations introduced a political dimension to the organization's activities and was inconsistent with the mission of UNDP as approved by the Executive Board on 15 May 1996. However, his delegation did support UNDP interventions in situations of natural disasters. Second, UNDP should not introduce activities that competed for the scarce resources available for economic and social development in developing countries. Third, UNDP needed much more experience before it could begin to work in conflict prevention if it wanted to avoid violating its mandate. Fourth, approval of the decision did not mean acceptance of concepts, such as human security, that had not been defined or endorsed by the international community. Fifth, UNDP should not undertake any work in crisis and post-conflict situations that was under the mandate of the Security Council.

III. Country cooperation frameworks and related matters

Country and regional cooperation frameworks, extensions, and country and regional review reports

68. The Associate Administrator extended sympathy and condolences to the peoples and governments of El Salvador, India and Pakistan for the loss of life caused by the recent massive earthquakes in those countries. He noted that the Resident Coordinator in India had been in close contact with the authorities and with the donor community to help to ensure that offers of assistance were coordinated. A United Nations Disaster Assessment Team had been dispatched to the region.

69. The Associate Administrator introduced the three new UNDP regional bureau directors: Ms. Rima Khalaf Hunaidi, Assistant Administrator and Director of the Regional Bureau for Arab States; Mr. Hafiz Pasha, Assistant Administrator and Director, Regional Bureau for Asia and the Pacific; and Mr. Kalman Mizsei, Assistant Administrator and Director, Regional Bureau for Europe and the Commonwealth of Independent States.

70. He introduced the country review reports (CRRs) for Lesotho (DP/CRR/LES/1), Lithuania (DP/CRR/LIT/1), Nepal (DP/CRR/NEP/1), and Yemen (DP/CRR/YEM/1 and Corr.1) and the review of the first regional cooperation framework (RCF) for the Arab States (DP/RRR/RAS/1). He noted that 22 reviews of country cooperation frameworks (CCFs) had been carried out in 1999 and 51 in 2000. Those carried out in 2000 generally confirmed that greater attention was being given to a results-driven approach in UNDP operations. The reviews, however, also indicated that more needed to be done to implement the Administrator's Business Plans, 2000-2003, in particular the strengthening of upstream activities. Outposting of specialist policy advisory staff, proposed to be partially funded from the global cooperation framework, would take UNDP forward in that regard.

71. CCFs submitted to the Executive Board for approval included those for Turkey (DP/CCF/TUR/1), Mauritius (DP/CCF/MAR/2), Uganda (DP/CCF/UGA/2), Bangladesh (DP/CCF/BGD/2), Cambodia (DP/CCF/CMB/2), Belarus (DP/CCF/BLR/2), Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), Croatia (DP/CCF/CRO/2), Georgia (DP/CCF/GEO/2), Latvia (DP/CCF/LAT/2), Lithuania (DP/CCF/LIT/2), the Russian Federation (DP/CCF/RUS/2 and Corr.1), Saint Helena (DP/CCF/STH/2), and Saudi Arabia (DP/CCF/SAU/2). Six extensions of CCFs were presented to the Board for information; three extensions of CCFs were presented for approval. The second extension of the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II) was also submitted for approval.

72. Since no requests had been submitted for discussion of individual CCFs, the first CCF for Turkey (DP/CCF/TUR/1), and the second CCFs for Mauritius

(DP/CCF/MAR/2), Uganda (DP/CCF/UGA/2), Bangladesh (DP/CCF/BGD/2), Cambodia (DP/CF/CMB/2), Belarus (DP/CCF/BLR/2), Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), Croatia (DP/CCF/CRO/2), Georgia (DP/CCF/GEO/2), Latvia (DP/CCF/LAT/2), Lithuania (DP/CCF/LIT/2), the Russian Federation (DP/CCF/RUS/2 and Corr.1), Saint Helena (DP/CCF/STH/2), and Saudi Arabia (DP/CCF/SAU/2) were approved by the Board.

73. Many delegations congratulated the new regional directors on their appointments.

Country cooperation frameworks

74. One delegation made a general comment on UNDP CCFs, stating that there were no references in the CCFs to the country programmes of the other United Nations funds and programmes. Information on how UNDP CCFs strengthened the programmes of those other entities would be welcomed.

75. One delegation stated that the second CCF for Bangladesh (DP/CCF/BGD/2) still contained too many small and non-strategic interventions, which were not well coordinated with the activities of other donors. As a result, UNDP activities have been overextended, making it difficult to perform its necessary coordination functions.

76. The Permanent Representative of Bangladesh stated that the second CCF had been developed on the basis of the experience of the first CCF and reflected the lessons learned therein. It was recognized that the second CCF reflected the new vision of UNDP. The second CCF had been undertaken in accordance with the harmonized programme periods of other United Nations funds and programmes. The UNDP shift from a project to a programme approach had been beneficial. He noted an increase in resources in the second CCF over that of the first CCF, which had concentrated on a pro-poor poverty eradication programme and had achieved considerable success through community projects. Activities in civil-service administration reform, peace-building, conflict resolution and democratization had been very successful. The continuation of the pro-poor strategy was welcomed, as were the activities planned for the second CCF. The Government had worked closely with UNDP on the common country assessment (CCA) and hoped that its comments would be incorporated.

77. The representative of Belarus commented on the second CCF for his country (DP/CCF/BLR/2). The document was based on the review of the first CCF. The second CCF would focus on economic cooperation by strengthening democratic management and environmental management. He noted that a large amount of the fallout from the Chernobyl disaster had been in Belarus. The second CCF provided a

good basis for finding solutions to existing problems with a view to establishing successful conditions for sustainable human development.

78. One delegation commented on the CCF for Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), stating its support for the outlines of the framework, especially the development and strengthening of municipalities. With regard to human security issues, there could be serious problems involving the mine action programme, in which irregularities linked to high-level officials had been revealed. An investigation sponsored by the Office of the United Nations High Representative would soon issue its results. It was expected that the CCF would contain a proper strategy with lessons learned to minimize future risks in the mine action programme. Another delegation was pleased to have participated in the consultative process for the second CCF. Overall, emphasizing the development of national capacities to address human development and human security issues was welcomed. The area-based development approach was seen as successful. There was a possibility for synergy between UNDP and the Swiss Development Cooperation in youth-related activities. Further information on the comparative advantages of UNDP in the mine action programme was sought. UNDP was encouraged to become more involved in aid coordination, in particular in the long term. Another delegation underlined the clear focus on establishing sustainable structures, which should be passed as early as possible to the Government. The CCF was in line with the decisions made at the ministerial meeting of the peace implementation council of the Dayton peace agreement.

79. One delegation noted the remarkable progress achieved in Cambodia in the past ten years and in particular, the contribution of UNDP to poverty eradication, environment, gender in development and institution-building. Another speaker emphasized the need for greater donor support, broader participation by the United Nations and the strengthening of national ownership. Another delegation commended UNDP for its thorough analysis and description of the current situation. The successful completion of the United Nations Development Assistance Framework (UNDAF) for Cambodia was noted. The structure of the document, however, could be improved, including through the use of a logical framework analysis. Another delegation underlined the need for clearer focus and more definition of areas of comparative advantage and greater linkages with the poverty reduction strategy process in Cambodia. The speaker supported the move to national execution, adding that it should be done in accordance with national capacity.

80. The representative of Cambodia thanked the Board for approving the second CCF (DP/CCF/CMB/2) and the donors for their assistance. Poverty eradication was the major concern of the Government. The advisory role of UNDP for reform in public administration was appreciated. The representative cited serious health problems, including the spread of HIV/AIDS. Women and disadvantaged people needed to play a greater role in national programmes. The move to sector-wide planning was welcomed.

81. One delegation expressed appreciation for the second CCF for Croatia (DP/CCF/CRO/2), in particular in area-based economic revitalization. The speaker stated that the national mine action programme could benefit from increased cooperation with UNDP.

82. One delegation raised a query about a reference made in the CCF for Latvia (DP/CCF/LAT/2) regarding the social integration of non-citizens and human rights protection. The reference, in paragraph 23 of document DP/CCF/LAT/2, did not seem to be objective. Russian-speaking associations in Latvia had stated that there did not seem to be much progress in the areas referred to in that paragraph.

83. The representative of Latvia stated that the CCF for Latvia (DP/CCF/LAT/2) had been the result of consultations between the Government and UNDP and had been based on the country review, the CCA exercise and the national human development reports (NHDRs) of the prior three years. The framework outlined the agreed strategy for all UNDP cooperation, taking into account the activities of other partners. The assistance of UNDP staff at both headquarters and in Riga was acknowledged, as were those of many specific donors. While also a recipient and an associate member of the European Union, Latvia had become an emerging donor, pledging modest amounts to UNDP core resources. The impact of UNDP assistance had been tangible in Latvia and led to beneficial policy changes, the introduction of new laws and reforms in national programmes, in particular the integration of minorities through the National Human Rights Office and the language training programme. With regard to a comment made by one delegation, he responded that Latvia had achieved progress and had demonstrated its will to furthering the aims of good governance and democratization.

84. The representative of Lithuania expressed the appreciation of his Government for the assistance provided to his country. The Government was working closely with UNDP to strengthen its participation in the international community and the utilization of national resources for development. The CCF (DP/CCF/LIT/2) had been prepared on the basis of lessons learned from the first CCF and would focus on fostering Lithuania's agenda for sustainable development.

85. The representative of the Russian Federation commented on the country's CCF (DP/CCF/RUS/2 and Corr.1), noting that the transitional period between UNDP and the Russian Federation had ended. He noted that the period had begun with the opening of a new office in Moscow, working with limited core resources for the country programme. One major result had been that UNDP gained the trust of the Government both at the federal and regional levels. Cooperation under the second CCF would include human-resource development, employment promotion, human rights, gender equality, legislation, improving the investment climate and protection of the environment, including the introduction of environmentally sound technology.

86. One delegation commended UNDP for its work on the second CCF for Saint Helena (DP/CCF/STH/2), noting that it had been completed in spite of communication difficulties.

87. One delegation expressed support for the elements contained in the CCF for Saudi Arabia (DP/CCF/SAU/2), in particular the development of an accountable public sector and the promotion of national United Nations Volunteers, as expatriate volunteers were less likely to make sustainable interventions. Several speakers raised queries about advancing the status of women, which had not been mentioned in DP/CCF/SAU/2. Delegations also recommended greater involvement by UNDP in environmental issues and the enhancement of aid coordination. Delegations underlined the positive relationship between UNDP and the Government in Saudi Arabia.

88. The representative of Turkey, in commenting on the first CCF (DP/CCF/TUR/1), emphasized the excellent relations between his Government and UNDP. He stressed the need to strengthen the crucial role of UNDP in emergencies and in disaster mitigation, citing the positive role of the organization following the recent earthquakes.

89. Several delegations praised the CCF for Uganda (DP/CCF/UGA/2), citing positive examples of activities in good governance. Two speakers emphasized the role of UNDP in helping the Government to fulfil its obligations to international human-rights treaties, noting that the Government and others had been active in the area of human rights in Uganda. The approach of UNDP in taking a holistic view of human rights in Uganda had been very useful and it was hoped that similar programmes would be replicated elsewhere. Another speaker welcomed the inclusion of gender in development, the environment and HIV/AIDS as cross-cutting issues in the CCF. Progress in governance was vital for further development, the speaker noted, and the enhancement of planning capacities, particularly at the local level, was necessary. More information on the utilization of the sector-wide approach was sought. One delegation expressed its intention to cooperation more closely with UNDP in implementing the CCF for Uganda. One speaker raised questions about the formulation of activities regarding enterprise development, but noted that it would be taken up directly with the country team.

Extensions

90. One delegation commented on the first extension of the first CCF for the Lao People's Democratic Republic (DP/CCF/LAO/1/EXTENSION 1), stating that, while recognizing that tight government control and lack of indigenous non-governmental organizations (NGOs) made close involvement by UNDP with the Government unavoidable, there was a sense among donors at the country level that it was at times too close. Some donors had begun to question the absorptive capacity of the Government and its commitment to moving toward a market economy. UNDP had

achieved some progress with its governance programmes, including its work with the National Assembly and the Ministry of Justice in promoting the rule of law. The work of UNDP on civil-service reform was also commended. It was suggested that UNDP might wish to concentrate its assistance more directly in community-based development, until the Government demonstrated greater commitment to more rapid change in the economic and political policies that were slowing its development.

91. The representative of the Lao People's Democratic Republic underlined the long and close relationship of his country with UNDP and noted the thematic areas of the first CCF. The implementation had contributed to the building of the economy and to the strengthening of institutional capacity to monitor development activities. He thanked UNDP and all donors for their assistance. The extension would allow for the implementation of ongoing projects from the first CCF. With regard to a comment raised by another delegation on the extension, he emphasized that the Government was highly committed to a market economy system. He also stated that many international NGOs were active in his country, but he noted that some others might not undertake activities that would be in the national interest. The Government supported both community-based development and the rule of law, noting that implementation of those policies had been gradual. He underlined that cooperation with UNDP was based on national priorities.

92. The representative of the Syrian Arab Republic commented on the first extension of the first CCF for Syria (DP/CCF/SYR/1/EXTENSION I).

93. One delegation commented on the second extension of the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II). The speaker expressed support for the efforts of UNDP to organize its activities into thematic areas and to limit its objectives in accordance with resources and based on UNDP area expertise and its commitment to regional coordination. The development of a donor knowledge network was welcomed. Another speaker underlined the importance of highlighting poverty eradication in the implementation of the framework.

Country review reports

94. One delegation, commented on the first CRR for Nepal (DP/CRR/NEP/1), stating that the active role of UNDP in aid coordination had been very useful and coordination with the World Bank functioned very well. UNDP had chaired donor thematic groups on environment and disaster management and the informal donor group on peace support. The speaker noted that there was increased scope for cooperation in the area of human rights. UNDP was encouraged to become more involved in sector-wide plans in Nepal. It was suggested that there be closer coordination between the CCA and the poverty reduction strategy paper (PRSP) processes, as the Government was planning to use the PRSP in its next five-year plan. All donors should contribute to making this a nationally-owned process,

requiring that the UNDAF be adapted to the PRSP. The foreign aid policy should be taken seriously by all donors, meaning that more project planning be transferred by UNDP to the Government. The trend toward larger projects was encouraged. The work relating to monitoring and evaluation should become more strategic and involve the Government to a greater extent. Another speaker underlined the positive achievements in social development in Nepal, while also stating that national ownership should be given more attention.

95. The representative of Nepal stated that the CRR came at a time when UNDP was in the process of synchronizing its work with the ninth development plan and priority areas of the Government. He noted that in paragraphs 6 and 32, references were made to fostering dialogue with the Government and within the United Nations system with regard to adopting a human-rights-based approach on an experimental basis. The speaker emphasized that the needs-based approach had so far avoided any political discontent. Thorough clarity was required before any new approach could be considered.

96. One delegation commented on the first CRR for Yemen (DP/CRR/YEM/1 and Corr.1), noting that the Resident Coordinator had been very successful in developing the programme which gave effective support to the democratic processes of the Government. With regard to the draft CCA, the speaker noted that including indicators would result in a more balanced document. The speaker raised a question as to whether tourism could be a viable source of future development in Yemen, noting that the development of fisheries might be more successful.

Responses

97. The Associate Administrator thanked the delegations for their comments and stated that some queries would be responded to bilaterally. With regard to the comments raised on the mine action programme in Bosnia and Herzegovina, he stated that UNDP is one of the co-chairs of the board of the mine action programme, together with other donors. There had recently been an investigation into corruption charges in the mine action programme, with the removal of the former commission. UNDP had informed all donors with regard to the actions taken. He noted that UNDP did not fund de-mining activities in Bosnia and Herzegovina. He confirmed that gender in development was included in the CCF for Saudi Arabia as well as in other CCFs. He explained that some CCFs had a specific programme in gender, while others were cross-cutting or carried out through the regional cooperation framework. He underlined the importance of the PRSP process, mentioned by several delegations, emphasizing that the process was nationally-driven, involved the United Nations system, and would benefit from such exercises as poverty mapping.

98. The Assistant Administrator and Director of the Regional Bureau for Arab States stated that the issue of the environment remained an important component of

the CCF for Saudi Arabia, in particular the building of national capacity in that area. UNDP interventions in the area of gender in development in Saudi Arabia took place both through the CCF and the regional cooperation framework. She described several activities funded by UNDP in that regard. Suggestions made by delegations with regard to programme areas in other CCFs were noted.

99. The Officer-in-charge of the Regional Bureau for Europe and the Commonwealth of Independent States commented on the de-mining programme in Bosnia and Herzegovina, clarifying that the issues raised were related to the national de-mining commission, a counterpart of the de-mining operation. In particular, he underlined that programmes related to commercial de-mining activities were not financed by UNDP. He stated that role of UNDP was related to the mine action centres, which set priorities, coordinated and inspected the commercial de-mining activities, to ensure that they followed global humanitarian standards. He noted that, as a result of the joint investigation of UNDP and the Office of the High Representative, a number of modifications had been made in the structure of the mine action programme. The present situation was satisfactory to the donors and carried out within a sound structure. Given the positive action taken, it was hoped that donors would continue to contribute to the trust fund for de-mining activities. With regard to the comment made regarding the CCF for Latvia, he explained that the national integration programme covered the priority areas of human rights, naturalization and the Latvian language programme. The programme had aimed to benefit the marginalized sectors of Latvian society, allowing a greater number of citizens to benefit from the social and economic activities. Assessments of the programme had reported significant progress. UNDP and other donors, however, recognized that the national integration programme was still a work-in-progress and that the effort and scope of the programme would continue in the areas of education, job opportunities and social benefits.

100. The Assistant Administrator and Director of the Regional Bureau for Africa referred to the comments made on the CCF for Uganda. He stated that he was grateful for the recent visit by the Norwegian Minister of Development Cooperation and hoped that other government officials from donor countries might be able to visit the country. UNDP would continue its activities in the area of human rights in Uganda and in other countries in Africa. The organization would participate in sector-wide approach in governance activities. UNDP was working closely with the World Bank and International Monetary Fund in the PRSP process, especially in the areas of information-sharing, capacity-building and monitoring and evaluation.

101. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific thanked the speakers for their comments on aid coordination, on the need for a sharper focus in programming and on ownership and sustainability, which would be taken into consideration in the future. He noted, in response to one comment, that over 40 per cent of UNDP resources in the Lao People's Democratic Republic was devoted to rural community development. Efforts to move the country to a market economy were underway. He clarified that the Government of Nepal assumed strong ownership of the UNDP programme there. UNDP would initially

focus on the overlap and the common areas between basic needs and rights. He confirmed that UNDP would work closely with the Government of India in the aftermath of the earthquakes. He confirmed that the logical framework analysis would be utilized in the context of the strategic results frameworks.

102. The Executive Board approved the second extensions of CCFs for Eritrea (DP/CCF/ERI/1/EXTENSION II), Estonia (DP/CCF/EST/1/EXTENSION II), the Republic of Moldova (DP/CCF/MOL/1/EXTENSION II) and the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II).

103. The Executive Board took note of the first extensions of the first CCFs for Burundi (DP/CCF/BDI/1/EXTENSION I), the Lao People's Democratic Republic (DP/CCF/LAO/1/EXTENSION I), Kuwait (DP/CCF/KUW/1/EXTENSION I), the Libyan Arab Jamahiriya (DP/CCF/LIB/1/EXTENSION I), Rwanda (DP/CCF/RWA/1/EXTENSION I) and Syria (DP/CCF/SYR/1/EXTENSION I).

104. The Executive Board took note of the first CRRs for Lesotho (DP/CRR/LES/1), Lithuania (DP/CRR/LIT/1), Nepal (DP/CRR/NEP/1) and Yemen (DP/CRR/YEM/1 and Corr.1) and the review of the first RCF for the Arab States (DP/RRR/RAS/1).

Assistance to Myanmar

105. The Associate Administrator introduced the Note by the Administrator on UNDP Assistance to Myanmar (DP/2001/5). He provided a historical overview of the policy mandate governing UNDP assistance since 1994 to present, under specific Governing Council and Executive Board decisions 93/21, 96/1 and 98/14. In accordance with the guidelines provided in these decisions, individual projects were implemented within the framework of the human development initiative (HDI) in the areas of primary health care, HIV/AIDS, training and education, and environment and food security. He further informed the Board that, as laid out in those decisions, independent reviews and assessments of the HDI had been conducted and reported to the Board on an annual basis. The last such review was carried out in mid-2000 and an oral report on the main findings and conclusions had been presented to the Board at its third regular session 2000 by the Resident Representative in Myanmar, with the understanding that a more comprehensive note by the Administrator would be submitted to the present session of the Board.

106. The Associate Administrator drew the attention of the Board to the major conclusions of the assessment mission: (a) all HDI project activities had been formulated and were being implemented in full compliance with the relevant decisions of the Board; and (b) HDI project interventions were making a clear difference to the lives of the rural population in the project areas. The mission also

highlighted several challenges faced by HDI projects in their implementation and proposed certain recommendations to enhance further the impact of the HDI. The Associate Administrator then invited the Resident Representative in Myanmar to elaborate on the main findings, conclusions and recommendations of the assessment mission.

107. The Resident Representative informed Board Members that the HDI, now in its third phase, focused exclusively on projects having a grass-roots level impact in strict compliance with the guidelines provided in the respective Board decisions. All projects continued to target the poorest people in some of the most deprived areas of the country, through social mobilization concepts and practices, thus empowering villagers themselves to formulate development strategies to raise their living standards. Thus HDI projects were effectively and successfully pursuing their individual objectives at the grass-roots level.

108. The Resident Representative then elaborated on a number of strategic issues at the operational and policy levels that were highlighted in the report of the assessment mission. These issues critically impeded HDI activities from achieving their fullest potential in addressing poverty and continued to impact on the coordination of broader joint United Nations initiatives in Myanmar. He also reported on the mission's recommendations for addressing those issues so as to enhance and expand the sustainability of UNDP assistance.

109. The results of the assessment mission also emphasized that it would be desirable to have greater consistency in the respective mandates governing United Nations system operations in Myanmar. HDI projects were notably unable in certain key sectors to benefit from important technical expertise offered by some specialized agencies because of the perceived contradiction between the mandate of UNDP and their own. The results stressed the need for institutional linkages between community-based initiatives and the broader social and economic structures in order to achieve the full impact of HDI outputs.

110. The Resident Representative further underscored two critical areas in the mission's report, where UNDP assistance could be effectively targeted to address poverty reduction, namely, agriculture/food security and the environment. Another major critical concern was the detrimental impact of HIV/AIDS, where current estimates stood at 1.9 per cent of the population. It was noted that UNDP, through its HIV/AIDS project, and in conjunction with other United Nations organizations and non-governmental organization (NGO) partners under the auspices of UNAIDS, had come up with a joint work plan that would be presented to the international community. As recommended by the mission, he requested that the Board consider the possibility of UNDP: (a) undertaking a comprehensive household survey/poverty assessment and sector studies in agriculture/food security and the environment; and (b) being given greater flexibility in addressing the HIV/AIDS situation at the national level, including through fund-raising, given its strategic advantage vis-a-vis

the valuable work already carried out through its HIV/AIDS project with the limited funds available.

111. Another important issue highlighted in the mission's report was the long lead period and process required for planning and preparation of HDI phases, despite the relatively short time frame of two and a half years allotted to each HDI phase. The mission emphasized that future HDI assistance would need more time to address effectively poverty and humanitarian needs and to make better use of precious resources.

112. The Resident Representative finally drew attention to section V, paragraph 22 (a) and (b) of document DP/2001/5. He sought the guidance of Board Members on the recommendations and strategic issues raised in the mission's report and their approval to proceed with the design and preparation of appropriate interventions for future assistance to Myanmar, as the current phase was due to end in approximately 12 months in accordance with executive Board decision 98/14.

113. Overall, all delegations highly commended the positive impact of UNDP activities at the grass-roots level and appreciated that HDI activities continued to adhere to the mandate provided in the relevant Governing Council and Executive Board decisions. Delegations supported the need to provide continued assistance directly to the poor in Myanmar, in accordance with the current UNDP approach. Some delegations expressed concern over the lack of coherence among the United Nations programmes and operations and agreed that there was scope for a more coordinated United Nations development effort. Two delegations stressed that UNDP should be allowed to cooperate with the relevant government ministries in order to carry out a full-fledged country programme in Myanmar, while others felt that the time was not right to change the mandate. One delegation expressed the view that all agencies should move in the same direction as UNDP.

114. Most delegations noted with optimism the positive developments in the political dialogue process between the Government and the National League for Democracy (NLD), resulting from the recent visit of the Special Representative of the Secretary-General. One delegation expressed the hope that those discussions would lead to true democracy by the Government, thereby enabling UNDP to have a full-fledged country programme. Another delegation viewed that process with cautious optimism, while at the same time enquiring into the position of UNDP regarding the current International Labour Organization (ILO) resolution on forced labour in Myanmar. A delegate queried whether the Resident Representative had regular consultations with the National League for Democracy.

115. A number of delegations raised queries about the status and preparation of the Basic Needs Assistance Programme (BNAP) in the Northern Rakhine State and hoped that the transition process with the United Nations High Commissioner for Refugees (UNHCR) would be expedited in order to enable the BNAP to be

implemented in a timely manner. Great support was expressed for the BNAP. One delegation urged the international community to consider funding the BNAP through UNDP, at the same level of assistance currently being provided in the Northern Rakhine State.

116. Two delegations also emphasized the important role of UNDP in coordinating United Nations system activities in Myanmar and felt that this task should be given the highest priority.

117. All delegations expressed their full support for the recommendations contained in the HDI assessment report, particularly with respect to the comprehensive household survey/poverty assessment, the reviews for agriculture/food security and the environment and on HIV/AIDS, provided these remained within the framework and guidelines of the existing mandate governing UNDP assistance to Myanmar.

118. The Resident Representative thanked delegations for their positive comments and their support for UNDP HDI activities in Myanmar. It was noted that UNDP was the main provider of funds for addressing HIV/AIDS issues and that 65 per cent of the total annual funding came out of its HIV/AIDS project. Given its interventions at the grass-roots level, UNDP was in a strategic position to obtain and provide first-hand information to other United Nations organizations, such as UNAIDS. A joint plan of action has been drawn up in collaboration with United Nations partners and would be presented to the international community within the next few months with a funding requirement of $12 million for two years. UNDP would continue to play an important role in that exercise. During his recent visits to Myanmar, the Special Representative of the Secretary-General had repeatedly stressed the importance of collectively addressing the HIV/AIDS issue, stating that it would provide a good entry point for the United Nations system to deal with the situation more broadly.

119. The Resident Representative appreciated Board support for the mission's recommendations, especially on the comprehensive household survey/poverty assessment and sectoral reviews for agriculture/food security and the environment, and noted that this would be an important road map for future UNDP assistance to Myanmar. He assured the Board that those recommendations would be implemented within the framework of the specific mandate currently in force for UNDP HDI activities.

120. With respect to the Northern Rakhine State, the Resident Representative noted the complexities of that exercise. As mentioned in his oral statement at the third regular session 2000 of the Executive Board, UNHCR had recently extended its Memorandum of Understanding with the Government of Myanmar to the end of 2001. As a result, BNAP , which could make the transition with UNHCR in the Northern Rakhine State, had to be redesigned in collaboration with UNHCR to

accommodate the extension. There had been significant progress among United Nations organizations on the BNAP and discussions must also be held with the Government on the transition arrangements. The Resident Representative further indicated that in December 2000 an informal briefing meeting was held with the diplomatic embassies in Yangon to keep them fully updated on the progress and developments on the BNAP. At that meeting, some delegations indicated that they would not be in a position to provide funding directly to UNDP and that an appropriate funding mechanism should be identified and formulated for the BNAP. The matter was under review and would shortly be resolved.

121. In response to the query raised on UNDP compliance with the recent ILO resolution on forced labour in Myanmar, it was noted that all agencies had received similar letters from ILO and had discussed the issue together. UNDP had undertaken a thorough review of its projects in Myanmar in the context of the ILO resolution and could confirm that all grass-roots level activities were being carried out in a highly community-oriented participatory manner. No UNDP-funded activities directly or indirectly supported the practice of forced or compulsory labour. A note to this effect had been prepared and a response would shortly be sent to ILO.

122. The Resident Representative informed Board members that regular meetings continued to take place to the extent possible with the Secretary-General of the NLD. The assessment mission, which conducted its work in 2000, met with the Secretary-General and discussed the findings, conclusions and recommendations of its report. As a general rule, the Resident Representative and the Resident Coordinator also accompanied the Special Representative of the Secretary-General to his meetings with the NLD. Further discussions between the NLD and the Resident Representative were expected to take place in the near future.

123. The Executive Board took note of the Note by the Administrator on Assistance to Myanmar (DP/2001/5) and requested the Administrator, taking into account the findings, conclusions and recommendations of the independent assessment mission, to submit to the Board at the earliest possible date a proposal for continued UNDP assistance to Myanmar.

124. The delegation of Myanmar expressed its appreciation to the Administrator and Associate Administrator for the valuable report and to the Resident Representative for his contribution. They congratulated the newly appointed Assistant Administrator and Regional Director for Asia and the Pacific and assured him of their fullest cooperation in the discharge of his responsibilities. They noted that the HDI had been implemented for the past seven years and they were pleased that its objectives were being pursued successfully and satisfactorily despite the many challenges and limitations.

125. The delegation further expressed its appreciation to the Board for continued assistance to Myanmar. Given the critical need for more sustainable development assistance, however, they urged the Executive Board to consider a regular country programme for Myanmar, since the current operational modalities were not in line with that of a standard country programme. It was further indicated that the Government of Myanmar was committed to the development of the country and that assistance was tailored to the needs of the population.

Second global cooperation framework

126. The Administrator introduced the second global cooperation framework (DP/GCF/2) and the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2) (see chapter 4). He emphasized that UNDP was now well underway in retooling itself to respond more effectively to the complex challenges of the globalized world. The organization was listening carefully to its most important clients, the programme counties, and seeking to strengthen its in-house expertise and effectiveness in areas that corresponded to the principal services they were requesting. The global cooperation framework, and the related overhaul of the Bureau for Development Policy (BDP), was an indispensable component of the new UNDP. It was aimed at helping UNDP to respond better to new challenges, such as the information revolution, while placing renewed focus on its core strengths and mandate: providing innovative, practical support to developing countries for poverty reduction and human development. Similarly, the refocusing of technical cooperation among developing countries (TCDC) was aimed at identifying and harnessing the very best of Southern expertise and experience, both by mainstreaming South-South cooperation throughout UNDP programme work and acting as a catalyst for wider sharing of knowledge and experience between developing countries.

127. The global cooperation framework (GCF) underlined that UNDP must put advisory services and institutional development at the core of its programme work, allowing the organization to be a more credible and powerful advocate in critical areas. It would also enhance UNDP as a trusted partner and adviser at the national level through developing, supporting and promoting innovative approaches to poverty reduction driven by cutting-edge research and analysis. The framework would allow for the integration of the global development thinking and advocacy of the organization with country-level practices. Better policy alignment with the *Human Development Report* and the work of the Office of Development Studies would take place. UNDP global programmes and policy support would be integrated in three key ways through: (a) closer vertical integration, linking country, regional and global programmes to reinforce major policy shifts; (b) closer geographic integration by promoting greater South-South exchange and cooperation across regions; and (c) closer thematic integration by linking relevant themes and sectors in a more synergistic manner. BDP would emphasize applied advice, driven by the 100 staff that would be decentralized to the field, 50 of them thematic specialists funded by the global cooperation framework. Six key thematic practice areas would provide a dynamic and networked pooling of best practices and referral systems. The six

areas were: pro-poor policies, democratic governance, sustainable energy and environment, crisis prevention and recovery, HIV/AIDS, and information and communication technology for development. Commitment to gender mainstreaming and the special role of UNDP in aid coordination would be maintained. Partnerships with a wider range of institutions that share UNDP development goals, but which have complementary strengths, would be developed. Partnerships with South-based think tanks and development institutions would be emphasized.

128. As in the GCF, the lessons learnt from the first cooperation framework for TCDC indicated that sharper focus was required around strategic issues of common concern to a large number of developing countries. The new framework was limited to two specific areas of focus: using advocacy to mobilize broader support for a more dynamic global agenda of South-South cooperation and giving a strong Southern dimension to the advisory services role. The Special Unit for TCDC would thus help to nurture the new BDP knowledge networks while directly supporting pilot projects developed jointly with strategic partners. Two staff members from the Special Unit for TCDC would be among the policy specialists outposted to the field.

129. The Assistant Administrator and Director of the BDP provided further details on the second GCF. The framework encompassed three activities: (a) global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues; (b) policy advice, support and alignment across programmes, drawing on the global network of policy specialists; and (c) knowledge-networking and the sharing of best practices. She elaborated on the activities that would be undertaken under each of the three areas.

130. During the past year, BDP had gone through a huge turnaround. A new structure had been established, with a 32 per cent staff reduction and a total reconfiguration of the bureau units into competency groups. That turnaround had involved the preparation, classification and approval of over 100 job descriptions and the reestablishment of some 100 posts in 23 different locations. BDP staff had competed with other internal applicants for the majority of the posts in the internal job fair held in October 2000, which had reviewed 435 UNDP candidates. From those not selected for posts in the new BDP, 80 staff had already been separated, with the remaining 30 or so to leave by the end of 2001. An external recruitment process would be held to recruit the remaining 60 policy specialists. Every step of the design and selection of staff had been undertaken in consultation with the regional bureaux and country offices, the main clients of BDP, so as to ensure joint ownership of the structure. There has been further streamlining of the management of the former fragmented approach to global activities, including closing some 700 projects and conducting 10 evaluations and a general audit.

131. Circumstances were now ideal to ensure policy alignment between global, regional and country level activities. Policy support services had been identified based on demand. Non-core trust funds would enable UNDP to remain aligned to the priorities identified through the strategic results framework/results-oriented

annual report (SRF/ROAR) process and to avoid the resource-led fragmentation of the past.

132. Delegations welcomed the focus, objectives and priority support areas of the second GCF. One delegation, also on behalf of three others, noted that the second GCF was totally in line with the findings of the evaluation of the GCF presented at the third regular session 2000. The linkages between GCF and the development thinking of the Human Development Report Office, the Office of Development Studies and BDP were now clear. UNDP should build on its strength as an honest broker at the field level, its intellectual role could not be overestimated. Further information was requested on how the GCF related to the global programmes of other United Nations Development Group members. With regard to the estimated costs of the GCF, the delegations raised a query regarding the prospects for mobilization of the non-core resources required for some GCF activities. The explanation regarding the restructuring of BDP was welcomed.

133. One delegation noted the complementarity between the new global programme and the proposed framework for TCDC, and its linkage with country and regional frameworks. The strengthening of strategic partnerships, with such organizations as the United Nations Conference on Trade and Development and the World Trade Organization, was welcomed. The speaker stated that global activities in crisis situations would achieve the desired results through collaboration with the Emergency Response Division.

134. One delegation noted that UNDP would have greater leverage at the global level and stay fully engaged in the global debate on development for the benefit of programme countries. UNDP engagement in the global debate would also contribute to a strengthened UNDP profile that would help raise the political and financial support to the organization. That delegation, while fully supporting the objectives and priority support areas of the second GCF, found it somewhat difficult to identify what UNDP intended to do in concrete terms, with the exception of two elements which had its strong support, the *Human Development Report* and the Global Public Goods Initiative. The Poverty and Environment Initiative would contribute to the preparation of the Rio+10: The World Summit on Sustainable Development. The speaker suggested two more criteria to be applied in the design of future initiatives, in addition to that already mentioned in the document. The first would require that global initiatives to be in line with the results categories as defined in the strategic results framework. The second would assure that resources allocated to the GCF were not used as substitutes for the target for resource assignment from the core (TRAC) 1.1.1 resources.

135. Support was expressed for the linkages with national programmes, the decentralization of experts and the creation of knowledge networks. The use of Southern institutions to help to develop policies was also welcomed. Duplication should be avoided. Further information on the advisory committee, referred to in paragraphs 51 and 52 of document DP/GCF/2, was sought. One delegation, also on

behalf of another, welcomed the focus on governance and democracy and support for civil society. Criteria for cooperation with regional organizations, however, should be more explicit to avoid duplication and to be cost effective.

136. Several delegations requested more information on how UNDP would be involved in development-related issues and processes, such as the Conference for Least Developed Countries, the Meeting on Financing for Development and the Integrated Framework for Trade-related activities in least developed countries.

137. One delegation expressed its willingness to support the new GCF financially and through sharing its own expertise. Another speaker requested more clarity with regard to the implementation and interventions of activities financed by the thematic trust funds. Support was expressed for reevaluating the methodological base of the *Human Development Report*. One delegation emphasized the need for UNDP to use its global reach to analyse how the poor could benefit directly or indirectly from globalization and to understand the links between greater participation by the poor and policy outcomes and partnerships with the private sector. Greater commitment to combat HIV/AIDS was welcomed. Continued input by UNDP to the Consultative Group on International Agricultural Research (CGIAR), including continued co-sponsorship, was requested.

138. One speaker welcomed the promotion of South-South cooperation through the GCF. She underlined support for the role of the *Human Development Report* in monitoring global trends and in advocacy and noted policy changes to hasten poverty reduction. In her country, the *Human Development Report* had exerted positive influence in public policies through national and municipal human development reports. The speaker noted that a great distance existed between decisions made by headquarters and actions taken at the country level. It was of utmost importance to ensure that the priorities of the results-oriented annual report be aligned with actions taken at the country level. Her delegation felt that criteria for the global programme could be further developed and specified.

139. Other speakers underlined the key role of UNDP in providing opportunities for developing countries in coping with the challenges of globalization. The second GCF was visionary and similar to the Millennium Summit Declaration. Further information was sought with regard to the thematic trust funds and the coordinating role of UNDP. One delegation requested that a logical framework on indicators of objectives and results of the GCF be submitted to the Board.

140. One delegation noted the intense pressure faced by developing countries because of commercial interests. The sustainable human development perspective of the GCF, in particular networking within the South and using Southern expertise, was thus welcomed. The inclusion of crisis prevention and management as one of the four priority areas of the GCF was questioned, as the first GCF had phased out disaster preparedness, emergency relief, reconstruction and rehabilitation, and

refugees and displaced persons that had been funded through fifth-cycle mechanisms. The reason for the reversal was requested.

141. The representative of the United Nations Educational, Scientific and Cultural Organization stated that her organization had priorities identical to those of UNDP. She stated that coordination should be strengthened among global programmes and called for the linking of networks among United Nations organizations, including the UNDP subregional resource facilities (SURFs).

142. The Assistant Administrator and Director of BDP thanked the Board for its comments. The concerns and requests for clarification were noted. The more specific questions would be answered bilaterally. She explained that the thematic trust funds would be established in the priority areas, emerging from the SRF/ROAR process to make more non-core resources available to programme countries. The alignment between trust funds and the BDP network was that policy specialists at the global level and at the regional level (through SURFs) would support the design of projects through technical and policy support to country offices. She underlined that, with the limited resources available, particularly the limited staff resources, there was very little duplication. Coordination and linkage with knowledge networks of specialized and bilateral agencies was part of the design of the process. As the BDP priority in the last few months had been restructuring, discussion with partners had not progressed as far as desired. New methods of coordination would be developed in the coming months as a priority. In response to queries raised, she underlined that UNDP would have focused on strategic interventions in global processes, such as the Meeting on Financing for Development, Rio +10, and the Conference on Least Developed Countries. She noted that BDP was active in a pilot project to integrate the trade dimension into the PRSP processes in two countries, part of the work related to the Integrated Trade Framework for least developed countries. Upon approval of the GCF, UNDP would commence the programme process and develop programme documents, including indicators, and would report back to the Board with details. With regard to the advisory board, UNDP would consult the Bureau of the Board.

143. The Deputy Assistant Administrator and Deputy Director of BDP underlined the link between the CCA/UNDAF and the GCF, noting that BDP represented UNDP in the sub-group on programme matters of the United Nations Development Group. Using the SURFs, UNDP assisted the country offices and teams on the UNDAF process. With regard to results-based management, a table had been prepared, but not distributed, relating demand and targets. BDP had been quite involved in the analysis of the SRF and the SURFs helped countries in the formulation of their SRFs. BDP could thus continually update the support services to country offices. The logical framework analysis was thus far not being used because the level of aggregation was very high and because consulting the indicators for each of the reference areas would prove very difficult. He noted that the shortfall in core funding had created the need for additional non-core funding. It was hoped that the independence of the *Human Development Report* would be preserved. A trust fund for the *Human Development Report* would make support for the non-

core activities of the Human Development Report Office, including NHDRs, possible. The thematic trust funds would try to align the contributions at the regional and country levels. The Task Force demonstrated a special role for UNDP by selecting it to lead the establishment of the International Trust Fund. With regard to the query raised regarding crisis countries, he noted that in the fifth cycle, all activities related to crisis countries were financed through special programme resources that had been managed by BDP. In the sixth cycle, TRAC line 1.1.3 had been allocated for crisis and emergencies. It was now clear that development activities could not be divorced from crisis-related activities. It was important to follow closely issues related to prevention and post-crisis state-building from both operational and policy/conceptual points of view.

144. The Executive Board approved the second global cooperation framework (DP/GCF/2).

IV. Technical cooperation among developing countries

145. The Associate Administrator introduced the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2). (Note: The report on technical cooperation among developing countries: follow-up to decision 99/11 (DP/2000/36), originally submitted to the third regular session 2000, was re-submitted at the present session.)

146. During the period 1997-2000, the Executive Board had allocated 0.5 per cent of UNDP core resources, approximately $15 million, to the activities supported by the Special Unit for TCDC. The first cooperation framework for TCDC had focused on support for sustainable development through TCDC and the promotion and coordination of TCDC on a global and United Nations system-wide basis. The second framework built on the major lessons learned in the course of implementing the first framework, including the need to focus on strategic issues of common concern to a large number of developing countries, nurture South-South knowledge networks, build broad-based partnerships, and work with strategic partners. The second framework was designed to draw maximum benefits from limited resources through concentrating on mobilizing global support for South-South cooperation and acting as a catalyst in the development of innovative models of South-South technical cooperation.

147. The second framework emphasized the need for developing countries to build and share capacities essential to effective participation in multilateral processes, the need to adapt domestic policy and institutional arrangements to the requirements of the new global economic system, and the need to protect and promote the development interests of the South by acquiring the knowledge and skills enabling developing countries to compete effectively in an increasingly competitive socio-economic environment. South-South cooperation was more viable at the present time than ever before; the second framework therefore focused the activities of the Special Unit for TCDC on issues that called for South-South solutions in international development cooperation. Key activities to be supported by the programme included initiatives to mainstream the practical use of the TCDC modality in UNDP and in the United Nations system. Those efforts would be supported by improved on-line services linking the TCDC information service, WIDE, to other databases in the United Nations system, including the subregional resource facilities (SURFs). Two staff members of the Special Unit for TCDC would be relocated in the Asia and the Pacific and Africa regions. The aim of the second framework was to mobilize South-South solutions to address the challenges of globalization and economic liberalization. The models of South-South cooperation to be developed in implementing the second framework would draw on Southern experience and technical know-how to improve policy and institutional capacities in the South in order to seize the opportunities presented by globalization.

148. The Officer-in-charge of the Special Unit for Technical Cooperation Among Developing Countries gave a presentation on the second framework and the work of the Special Unit.

149. Delegations welcomed the second framework for TCDC and the presentations made. Many speakers emphasized the importance of TCDC and welcomed the planned activities under the new framework, including increased advocacy for the TCDC modality. The incorporation of answers to questions raised at the third regular session 2000 was welcomed. Specifically, delegations expressed support for trade-related and finance activities, work to bridge the digital divide, and the provision of assistance to developing countries for capacity-building in negotiations and fulfilment of international codes and standards. One delegation raised a query regarding the inclusion of food security in the new framework. Speakers cited positively the emphasis on building South-South networks, sharing of South-South experience, enhanced information networks on TCDC and the increased use of experts from the South. The enhanced use of partnerships would increase the effectiveness of the second framework and should include work with international organizations such as the Portuguese-speaking Union. Triangular cooperation was supported and should be further developed. Some delegations noted specific TCDC activities undertaken by their governments.

150. The intention to mainstream the use of the TCDC modality throughout UNDP and the United Nations system was welcomed. Some speakers noted the planned collaboration of the activities of SU/TCDC in the context of the global cooperation framework and with regional programmes. Several speakers underlined the need to ensure the incorporation of TCDC into the United Nations Development Assistance Frameworks (UNDAFs), strategic results frameworks, country cooperation frameworks and the results-oriented annual reports. One delegation emphasized that Governments should be directly involved in the implementation of the framework's activities and that SU/TCDC actions should be complementary to bilateral initiatives.

151. While several speakers advocated an increase in core financial resources for the activities of the Special Unit for TCDC during the present programming period, others preferred increased financing through non-core resources, specifically through contributions to the South-South Trust Fund. Several speakers noted that they had already contributed to the Fund. The core funding allocation to the Special Unit could be examined in the context of the next programming period, to be discussed by the Board in 2002. Several speakers cited the designation by the General Assembly of the special role of UNDP in promoting TCDC in the United Nations system.

152. One delegation stated that while many of the activities undertaken under the first TCDC framework had been of much value, others had seemed to have little relevance from a sustainable human development perspective. The speaker did not agree that TCDC interventions should be more policy oriented and strategic, but rather they showed support to South-South cooperation in developing national policies and strategies for reducing poverty and enhancing development. The delegation would not support UNDP assistance for developing consensus only among the countries of the South on policies discussed in international organizations

since there had to be a global consensus in the United Nations. In this context, the speaker noted her delegation's earlier concern that UNDP had supported the development of a partisan stand on negotiating positions through the publication of the South Centre, which advocated the development of a common Group of 77 negotiating strategy. She urged UNDP and the SU/TCDC to continue work to equip developing world negotiators with the skills and tools to negotiate more effectively and leave the development of positions to each nation who might decide to cooperation with others. The reference in DP/CF/TCDC/2 to supporting South-South policy dialogues through "policy analysis and publications reflecting Southern perspectives" did not ease that concern. The speaker was pleased, however, with the Administrator's reassuring remark that policy assistance in the context of TCDC would primarily be in the form of capacity-building.

153. The Associate Administrator underlined the strong recognition of the importance of South-South cooperation in the comments made. He underlined that the key role of Governments in the implementation of TCDC activities. Partnerships with regional organizations were anticipated. He hoped that TCDC would be systematically used throughout the United Nations system, as many speakers had stated. He noted the concern raised by one delegation with regard to an increased upstream focus and with regard to the concept of a global economic system, which could be discussed bilaterally. He underlined that resources available for the activities of SU/TCDC were currently limited and could be enhanced through non-core resource mobilization.

154. The Officer-in-charge of the Special Unit for TCDC noted the intention to raise $15 million for TCDC activities through the South-South Trust Fund. The Special Unit would work with the Bureau for Development Policy to ensure the development of policy instruments to ensure that TCDC was fully integrated into UNDP programmes at all levels. The Special Unit also intended to provide support to United Nations system-wide efforts toward integrating TCDC into operational activities. The United Nations system would adopt a common resource framework for measuring progress in mainstreaming as required by the High-level Committee on TCDC and the General Assembly. With regard to trade-related activities, as reflected in the cooperation framework, the Special Unit intended to provide support to strengthening the institutional and policy capacities of developing countries to respond to emerging global issues. He cited the work in support to diversification of rice species by the West Africa Rice Development Association (WARDA) as a positive example of contributing to food security. Another positive example of partnerships was through the Africa-Asia Business Forum. In response to the query raised regarding the focus on globalization, he noted that there were several areas of intervention in the framework that did not concentrate specifically on that area. He confirmed that all initiatives would involve Governments as well as other partners. He also stated that the Special Unit would ensure that its activities were closely linked to the country, regional and global frameworks.

155. The Executive Board approved the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2) and adopted decision 2001/2 (see annex I).

UNDP/UNFPA segment

V. Reports to the Economic and Social Council

UNDP

156. The Associate Administrator introduced the report of the Administrator to the Economic and Social Council (DP/2001/6), noting that UNDP, UNFPA, and the United Nations Children's Fund (UNICEF) had agreed on a common format and approach for their respective reports to the Council. The report was an important contribution to the triennial comprehensive policy review of operational activities to be undertaken by the General Assembly later in the year. It was clear that UNDP had made considerable headway towards meeting the directives of Assembly legislation such as those contained in resolution 53/192. With other members of the United Nations Development Group (UNDG) and in turn the broader United Nations system, UNDP was assisting the Department of Economic and Social Affairs in the assessment of progress achieved in response to resolution 53/192. Coordinated inputs would be provided to the Council at its substantive session 2001.

157. The report highlighted progress made in the reform of the Administrative Committee on Coordination (ACC) and its subsidiary bodies and the streamlining of UNDG through the introduction of "sunset clauses" for its working groups. The area of funding and resources was examined in light of the introduction of the multi-year funding framework and results-oriented annual report, as well as the UNDP Ministerial Meeting, held in September 2000. Significant progress was noted in the areas of the resident coordinator system, and with regard to the implementation of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). In that regard, partnership with the Bretton Woods institutions at the country level was a high priority, in particular through collaboration with the World Bank in the context of the Comprehensive Development Framework, the poverty-reduction strategy papers (PRSPs), and the CCA/UNDAF, and the interrelationships between those instruments.

158. Other areas addressed in the report included the harmonization of programming periods and procedures, gender-mainstreaming, gender balance, capacity-building, common premises and services, monitoring and evaluation, follow-up to international conferences, and the follow-up to special economic, humanitarian and disaster-relief assistance.

Comments by delegations

159. Several delegations praised the common format presented by UNDP, UNFPA and UNICEF in their reports to the ECOSOC, as well as the fact that the reports were presented at the first regular sessions of the respective Executive Boards. The reports were seen as useful contributions to the discussion that would take place at the Council's substantive session for 2001 and to the triennial comprehensive policy review process.

160. The strong focus on implementation of the reform programme of the Secretary-General was welcomed. The High-Level Programme Committee (HLPC) was considered a good initiative. One delegation asked for clarification regarding the different language used in documents DP/2001/6 and DP/FPA/2001/1 regarding the "sunset clauses" of the UNDG working groups.

161. One delegation noted that the reference in paragraph 10 (c) to a continued decline in core funding in "other funds and programmes" was not accurate. Another delegation underlined its support for paragraph 10 (d) in which it was suggested that the ECOSOC make recommendations on the future of the United Nations pledging conference, taking into account the experience gained at the second funding meeting at the second regular session 2000 of the Executive Board, as well as the experience of other funds and programmes.

162. Several delegations noted that, while 93 programme countries had harmonized their programming cycles, completely different country programmes or country cooperation frameworks had been submitted to the respective Executive Boards of the funds and programmes at their first regular sessions 2001. Moreover, in spite of harmonized programming cycles, there had been little evidence of collaborative programming at the country level and no evidence of joint programming. In that regard, speakers requested further information on the progress achieved by the UNDG Working Group on Harmonization and Simplification of Programming Processes and Approval at the annual session 2001, when the Executive Board would receive a progress report on follow-up to decision 2000/12. There was also a need to continue to streamline programming, administrative and financial guidelines. The need for greater harmonization of programming periods and procedures with budgetary processes and national planning cycles was underlined.

163. Further efforts to streamline programming instruments as progress was achieved in introducing CCAs and UNDAFs was encouraged, in particular in order to relieve the burden of already overstretched national capacities. In addition, there should be clear references to the CCA and UNDAF in UNDP country cooperation frameworks and UNFPA country programmes and how they related to one another in terms of goals, objectives and partnerships agreed upon by the country team and the Government. A clear linkage between UNDAF goals and international development goals was sought. Some speakers underlined the leadership role of national governments in programming at the country level and in the follow-up to international conferences.

164. Several delegations reaffirmed their support for closer collaboration at the country level between the United Nations system and the Bretton Woods institutions. The importance of the overall coordination role of national authorities was emphasized. One delegation cited its Government's intention to monitor and report on the results of field-level collaboration between the United Nations system

and the Bretton Woods institutions. Speakers also called for greater linkage between the CCA/UNDAF, the CDF and the PRSPs, where applicable.

165. Speakers called for further progress in mainstreaming gender considerations in operational activities for development. One delegation suggested building on the experience of the United Nations Development Fund for Women.

166. Many delegations cited the lack of progress in addressing gender balance in the senior ranks of UNDP and in particular among resident coordinators. One delegation requested further information on how UNDP intended to reach the targets that had been set for achieving gender balance.

167. One delegation requested that the wording in paragraph 74 (a) be amended to read: "Take note of document DP/2001/4 on the role of UNDP in crisis and post-conflict situations, as well as the comments made by members of the Executive Board, along with the approaches of partner funds and programmes contained in their respective reports to the Council."

168. The representative of the United Nations Educational, Scientific and Cultural Organization underlined the need to strengthen the CCA and UNDAF processes. She also cited the important role of UNDP as the coordinator of the United Nations system and the vital importance of the United Nations system support for policy and programme development and support for technical services. The issue of gender balance among resident coordinators was a sensitive issue, in particular because many organizations did not have or were unwilling to release women at the senior level.

Response of the Administration

169. The Associate Administrator, in response to the comments made, noted that there was no discrepancy between UNDP and UNFPA with regard to views on the "sunset clauses" of the UNDG sub-groups. With regard to gender balance, he explained that the appointment of resident coordinators was carried out through an inter-agency mechanism, and that all sponsoring organizations were encouraged to place women in the pool of resident coordinator candidates. He noted that 48 per cent of candidates for the most recent assessment programme for resident coordinator competencies were women. However, those candidates needed to pass the assessment and also be available to serve. He confirmed that there would continue to be greater dialogue with the World Bank at the country level. He also confirmed that the future country cooperation frameworks would include the inputs of CCA and UNDAF processes where applicable. He underlined that 22 UNDAFs had been approved, with 17 in progress. While there had been some delays due to individual country situations, UNDP was committed to moving forcefully. He informed the Executive Board that there were UNDG guidelines for joint programming, especially for those who had approved the UNDAF.

170. The Executive Board took note of the UNDP report to the Economic and Social Council (DP/2001/6) and the comments made thereon and decided to transmit them to the Council.

UNFPA

171. In his introduction of the report of the Executive Director to the Economic and Social Council (DP/FPA/2001/1), the Director of the Strategic Planning and Coordination Division emphasized that the report was presented in a format jointly agreed by UNDP, UNFPA and the United Nations Children's Fund (UNICEF) and focused on the implementation of United Nations reforms, the forthcoming triennial policy review of the Council, the follow-up to international conferences and on humanitarian and disaster relief assistance. In particular, the triennial policy review would focus on the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). The Director stated that these two mechanisms, if carried out well, would provide critical opportunities to strengthen the national capacity of programme countries in a coordinated and complementary manner.

Comments by delegations

172. In commenting on the report, several delegations said that they had found it to be both useful and informative. One delegation questioned a seeming discrepancy between the report of UNFPA and that of UNDP on the effectiveness of "sunset clauses" concerning the working groups of the United Nations Development Group (UNDG). The same delegation also noted that the goal of developing 32 UNDAFs by 2000 had not been achieved. Several delegations noted the importance of mainstreaming gender into the CCAs and UNDAFs and of increasing the number of women who served as resident coordinators. In that regard, UNFPA was commended in coming very close to achieving a gender balance in its professional staff (48 per cent), a better record than most other United Nations organizations. Delegations echoed the comments of the Director in speaking of the potential value of the CCAs and UNDAFs in promoting national capacity-building, especially regarding the follow-up to international conferences.

173. In discussing the harmonization of the programmes of United Nations organizations, one delegation noted that, although a large number of programming cycles had been harmonized, the schedule for presentation of country programmes to their respective Boards seemed not to coincide at all. The delegation hoped that proposals being developed on the programming process by a working group headed by UNFPA would address that concern. The same delegation also expressed its desire that the UNFPA Country Population Assessment (CPA) could be merged into the CCA process in order to reduce duplication of efforts. Delegations also expressed their desire that the CCA and UNDAF processes should result in more joint programming by United Nations development organizations.

174. In discussing the trend in core resources of the funds and programmes, delegations pointed out that UNFPA was in a unique situation in that its annual revenues were very much influenced by whether one major donor contributed to the Fund or not. One delegation noted, however, that the Fund's core resources for 2000 represented an increase of 5.1 per cent over the previous year and the number of countries contributing to the Fund had expanded to 102. The same delegation asked for a clarification of "180 degree feedback" appraisals as used in paragraph 15 of document DP/FPA/2001/1 and requested that open meetings on the occasion of mid-term reviews of country programmes be well publicized. The delegation also asked what measures were being taken to ensure the security of the personnel of non-governmental organizations (NGOs) involved in executing UNFPA programmes in emergency situations.

Response of the Administration

175. In replying to the various comments and questions, the Director of the Strategic Planning and Coordination Division noted that there was no fundamental discrepancy in the views of UNDP and UNFPA concerning the "sunset clauses" of the UNDG working groups: it was a question of whether the glass was seen as half full or half empty. He acknowledged that the goals for completing UNDAFs in 2000 had not been achieved but said that the system had performed remarkably well in finalizing more than 20 UNDAFs and in almost completing 38 more. He strongly concurred with delegations that had emphasized that the CCA and UNDAF processes should result in a greater sense of government ownership of programmes. He stated that the greater degree of joint programming that could result from the CCA and UNDAF processes might entail some modification in the financial rules and regulations of different organizations; that was being examined, he noted.

176. The Director said that the "180 degree feedback" of appraisals meant that field offices were able to comment on the assessments made by headquarters of field reports and that the goal was to ensure mutual feedback into the system. The Director appreciated the comments concerning gender-mainstreaming and the success that UNFPA had had in filling professional posts with women candidates; indeed, at the senior-management level, women represented more than 50 per cent of managers. The Fund would continue to publicize mid-term reviews in order to solicit as much outside involvement as possible. Concerning security, the Director stated that in engaging NGOs to execute UNFPA programmes in emergency situations, the Fund relied on large international NGOs with accumulated experience working in difficult situations. These NGOs necessarily had expertise in ensuring staff security, but this was an important area that the Fund would continue to consider a priority and on which it would continue to work with partner organizations.

177. The Deputy Executive Director (Programme) commented on the relationship between the CPAs and the CCAs and UNDAFs. She said that in those situations where CCAs were being developed, the Fund would not duplicate that work by carrying out a separate CPA. However, that made it incumbent on UNFPA to work to ensure that population and reproductive health concerns were reflected in the

CCAs and UNDAFs. In that context, she noted that for the UNFPA country programmes submitted to the Executive Board at its current session, it had indeed been possible to reflect CCAs and UNDAFs since a significant number of those mechanisms had recently been completed. She informed the Board that the UNDG working group charged with developing common programming approval processes for UNDP, UNFPA and UNICEF, chaired by UNFPA, was submitting proposals to UNDG the following month and would be making a presentation to the Board at its next annual session. She pointed out that the proposals would be designed so as not to add to the workload of programme staff.

VI. Recommendations of the Board of Auditors 1998-1999: UNDP, UNFPA, UNOPS

178. The Associate Administrator introduced the report of the Administrator on UNDP follow-up to the report of the Board of Auditors for 1998-1999 (DP/2001/7) and the report on steps taken by UNDP after the qualification of the financial statements of the 1998-1999 biennium (DP/2001/CRP.5). Also addressed in the documents were the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/55/487). UNDP was grateful to the Board of Auditors and to ACABQ for engaging in a constructive dialogue that helped to maintain transparency in matters of institutional accountability.

179. Document DP/2001/7 contained a summary of the recommendations of the Board of Auditors for the biennium 1998-1999, listed by area of audit, and the UNDP response to the recommendations and the status of follow-up action, including target dates for completion. Progress had been made in many areas and efforts were being made to address outstanding issues. The conference room paper supplemented the information contained in document DP/2001/7 and included information on steps taken to address audit certification of nationally executed projects and on other outstanding items. Those problems had arisen in April 1999 as a result of the introduction of the Integrated Management Information System (IMIS), which had taken longer than expected to become operational, thus resulting in delays in audit reporting. There had been an increase in receipt of audit certifications, the Associate Administrator stated, although there remained some $423 million in expenditure that had not yet been audited. Country offices had been instructed to increase the number of audits required for 2000 activities. Measures had been taken to encourage the timely reporting of audit certifications so that the qualification on the financial statements could be removed.

180. The Fifth Committee had requested the Board of Auditors to recommend that, if satisfactory progress had been made, that the financial statements for 1998-1999 be approved. UNDP was working closely with the Board of Auditors to satisfy the requirement. All but $0.7 million of the $11.1 million of outstanding funds relating to the bank reconciliation had been cleared and UNDP was sure that there was no risk of loss from the outstanding amount.

181. The Associate Administrator emphasized that the results of the biennium 1998-1999 had been negatively affected by the implementation of IMIS.

182. The Deputy Executive Director (Management) introduced the follow-up to the report of the Board of Auditors for 1998-1999. He said that the report before the Executive Board (document DP/FPA/2001/1) contained a concise summary of steps taken to address the auditors' concerns and designated responsibility for implementing each recommendation and a time-table for doing so. He also updated the Board on steps taken to increase audit coverage. The Fund had received the

Board's approval to harmonize UNFPA's audit requirements with those of UNDP. He had instructed country offices and geographical divisions to prepare audit plans for 2001, which would be strictly monitored by the Fund's Internal Audit Section. Each Representative and programme manager was responsible of complying with audit requirements and following up on audit recommendations.

183. The Deputy Executive Director said that in the last quarter of 2000, UNFPA had begun a series of training workshops for country office staff in which audit procedures were emphasized. The Fund was actively engaged in recruitment in order to bring its own Internal Audit Section up to authorized strength. He said that the Fund took note of the restricted audit opinion of the audit report ending 31 December 1999 and the decision of the General Assembly to defer action on UNFPA financial statements. He emphasized that the difficulties in achieving an appropriate audit coverage of government and NGO-executed projects were largely a matter of timing. Indeed, as stated in a previous report, "most audit reports are eventually received". The Fund would make a concerted effort to improve the timing of submissions. Analysis showed that there were only a limited number of non-complying agencies, and, if necessary, the Fund would consider not entering into new contractual agreements with those agencies that had not provided the necessary audit documents.

184. The Deputy Executive Director of the United Nations Office for Project Services (UNOPS) introduced the Report of the Executive Director on the follow-up to the report of the Board of Auditors for 1998-1999 (DP/2001/8). He expressed appreciation to the outgoing Board of Auditors from the United Kingdom and welcomed the new team from South Africa. UNOPS had expressed its agreement with the recommendations of the report of the Board of Auditors for 1998-1999 and was actively working to implement them. New benchmarks were being developed in the context of the business planning process for 2001-2002 to respond to operational demands and to improve financial information regarding targets. UNOPS was working more closely with its clients on project documents regarding performance and risks. Matrices regarding roles and responsibilities for the services provided by UNOPS were now included in project documents. Improvements had been made in the internal project-acceptance process, applying more rigorous standards.

Comments on UNDP reports (DP/2001/7 and DP/2001/CRP.5)

185. Delegations thanked UNDP for the additional information provided in document DP/2001/CRP.5, which had answered many outstanding questions. It was important that the recommendations be implemented. It was noted that the concerns of the Board of Auditors and ACABQ had been taken very seriously by UNDP.

186. One delegation stated that her Government preferred to use its own national auditing authorities for nationally-executed projects. The speaker noted that a

combination of government and outside auditors would require delays in producing the audit reports because of the streamlining required.

187. Another delegation raised several queries regarding the documents. With regard to paragraph 55 of document DP/2001/7, more information was sought on the priority activities referred to with respect to monitoring plan for the Business Plans, 2000-2003. Further information was also sought on the number of job descriptions yet to be completed, whether executing agencies reported on project implementation and how those reports were used, and whether the Office of Audit and Performance Review (OAPR) included an evaluation of internal controls in all its audits. UNDP was commended for adopting measurable performance indicators and other results-based budgeting tools to control finances and operations.

188. Another delegation expressed concern that UNDP had received for the third time a qualification on its financial statements. It supported the efforts of OAPR to make additional efforts to explore the reasons for non-compliance with audit reports as described in document DP/2001/CRP.5. Additional qualifications on financial statements could adversely effect her Government's support for UNDP. It was hoped that the situation regarding the need for bank reconciliation would be resolved without delay.

189. One delegation, also on behalf of another, noted that it was not the first time that the financial statements of UNDP had been qualified. However, the explanations provided in document DP/2001/CRP.5 and by the Associate Administrator had answered all of their remaining questions. The speaker understood that according to the procedure, after the publication of the report of the Board of Auditors and consideration by ACABQ and the Fifth Committee, the Executive Board would take note of the follow-up. However, if the Board took note on the follow-up, it would in fact be approving the financial data provided by UNDP for the past biennium. The speaker understood that the Fifth Committee, when it had considered the reports of the Boards of Auditors and ACABQ in autumn 2000, had suspended its acceptance of its financial statements subject to further explanations. The question was thus raised with regard to procedure as to whether the financial statements could in fact be taken up by the Board when the Committee had not yet approved them.

Comments on UNFPA report (DP/FPA/2001/2)

190. One delegation had several specific questions concerning UNFPA's response to the recommendations of the Board of Auditors. What were the results of a meeting held to discuss a $1 million advance made in 1994 from UNFPA to UNDP for field accommodations? What steps had been taken to ensure that country offices did not exceed their expenditure ceilings? What improvements had been made in ensuring compliance with controls over advances for projects? What had UNFPA done to enforce the requirement that executing agencies submit final project reports?

For the third time in the past 10 years, the Board of Auditors had found significant problems in managers' bypassing the procurement system; what had been done to rectify that? What actions had UNFPA taken to ensure that services and products provided conformed to contract specifications? What success had the Fund had in recovering the funds overpaid to a contractor as discussed in paragraph 81 of the Board of Auditors report?

191. Another delegation reiterated its concern that UNFPA had received a qualified report from the Board of Auditors because it did not receive audit reports from governmental and non-governmental executing agencies in a timely fashion. The delegation hoped that the Fund could arrive at a suitable solution that would result in better quality and timeliness of the reporting of funds advanced to those agencies. The delegation also said that UNFPA seemed to have difficulty in adjusting its level of expenditures to live within its reduced means, leading to a recurrent habit of dipping into the operational reserve. It hoped that UNFPA would find solutions to that problem and that a new financial management system would contribute to addressing that issue. The delegation was also concerned with lack of compliance with procurement regulations.

Comments on UNOPS report (DP/2001/8)

192. One delegation, speaking also on behalf of four other delegations, felt that document DP/2001/8 provided an indirect response to the report of the Board of Auditors for 1998-1999. The perceived lack of details in the UNOPS response was significant in view of the oral report made by the Executive Director at an informal meeting of the Board during the current session regarding the difficult financial situation presently faced by UNOPS, while reporting during the previous session that the financial situation was good. The delegations indicated three instances in which UNOPS could have reported on the follow-up of the Auditor's recommendations in a more comprehensive manner. Those related to the recommendations regarding : review of returns from imprest holders; the strengthening of performance indicators included in project documents that would allow for measurement of progress against objectives; and the relocation of UNOPS headquarters . Regarding the latter, the delegations would have expected a clear statement from UNOPS as to the steps taken to insure that such as situation would not occur again. UNOPS should have provided responses that acknowledged more clearly the recommendations of the Board of Auditors, indicated UNOPS acceptance of the recommendations and provided dates by which it would comply with the recommendations.

193. Another delegation requested further information on the identification of risks associated with projects, on strengthening of performance indicators through the review process , and whether projects were funded in segments according to performance.

Responses

194. The Secretary of the Executive Board, in response to the query raised, informed the Board that it could take note of document DP/2001/7, bearing in mind the additional explanations included in document DP/2001/CRP.5. The explanations would be provided to the Fifth Committee and the General Assembly.

195. The Associate Administrator stated that the specific questions raised would be responded to bilaterally in writing.

196. The Director of the Office of Audit and Performance Review stated that UNDP also preferred to use national audit offices to conduct audits of nationally executed projects. However, he noted that national audit offices did not always have the same standards as those set by the Board of Auditors. In response to the query raised, he stated that the audit qualification was treated very seriously by UNDP and every effort was being made to have it removed by making progress on the audits of nationally executed projects. While changing financial regulations could help to make progress in that area, they would also change the costs associated with the audits.

197. In his response, the Deputy Executive Director of the United Nations Population Fund said that we would try to take corrective action and to put in place systematic controls to address the problems mentioned. The operational reserve would be replenished. UNFPA had an excellent procurement system and he would work to ensure that it was utilized as intended. The Director of the Division for Management Services said that the payment for the reserve for field accommodation was still outstanding; the United Nations Office of Legal Affairs had given its legal opinion and discussions were continuing with UNDP. She said that greater control over the cash situation in field offices was being enhanced by strengthening UNFPA's automated financial systems. Referring to decentralized authority, she stated that UNFPA Representatives had to be held accountable for the financial management of their offices, and the Fund was helping them to better manage their financial accounts by providing more training.

198. The Director also informed the Board that a system was being worked on that would warn about ceilings and advances in order to guard against overexpenditures. A system had been put in place that required Directors to certify that procurement procedures were being followed. As for suppliers, an inter-agency working group was devising a common system for ensuring that suppliers met contractual agreements, and the Fund also had its own system in place. She concluded by saying that there was an ongoing study to ascertain the amount in question in paragraph 81 of the report of the Board of Auditors.

199. The Deputy Executive Director, UNOPS, underlined that all recommendations of the Boards of Auditors had been accepted by UNOPS. Written answers could be provided to the queries raised by delegations. Regarding financial aspects, he noted that the Auditors report on UNOPS did not have qualifications. Concerning imprest account returns, he pointed out that timely receipt of vouchers from the UNDP country offices was not always ensured. Consequently, a time lag was often generated in the reconciliation of payments. To the extent that it could be controlled, UNOPS had made much progress to expedite the process in 2001, thereby foreseeing completion by February 2001. In response to the query on performance indicators, he explained that UNOPS did not have much control over them since the funding agencies normally formulated the project documents and assumed responsibility for the performance indicators they wished to be utilized. As to risk associated to projects, the Deputy Executive Director indicated that political, financial, legal and other risks were the responsibility of the funding agency whereas risks associated with implementation were identified and monitored by UNOPS, to the extent that that was feasible. When possible, UNOPS made recommendations based on previous experience but could not change the documents once finalized. In response to another query raised, he noted that UNOPS control of project funding was determined by the degree of UNOPS involvement in the project. In those cases when UNOPS exercises control on project funding – i.e., when performing loan administration – funds were released from the funding agency to the borrower in tranches, and UNOPS ensured that such funds were utilized for the intended purposes. Usually, the tripartite review process that included UNOPS allowed for analysis using performance indicators and monitoring of progress.

200. The Executive Board adopted decisions 2001/3, 2001/4 and 2001/5 (see annex I).

201. The Secretary of the Executive Board informed the Board that the documentation submitted to the Executive Board had been extracted from the report of the Secretary-General to the General Assembly to the Fifth Committee entitled "First report on implementation of recommendations of the Board of Auditors on the United Nations funds and programmes for the biennium ended 31 December 1999". It was proposed that in the future, in order to improve efficiency, only the extract relating to a particular fund, with a short cover note providing updated information, be submitted to the Executive Board.

VII. Financial, budgetary and administrative matters

202. Speaking for both UNDP and UNFPA, the Director of UNFPA's Division for Management Services introduced document DP/FPA/2001/3-DP/2001/9. She said that the new common financial regulations were being proposed in response to Executive Board decision 2000/5, in which the two organizations were asked to develop a common regulation concerning contributions from non-governmental sources. The proposed new common regulations would not require prior approval from the Executive Board for contributions from NGOs consistent with the mandates of the two organizations but would require the two organizations to report annually to the Board on all contributions over $100,000.

203. One delegation said that it was pleased at the new common regulations but wondered if they should have been channeled through the Advisory Committee on Administrative and Budgetary Questions (ACABQ) before coming to the Board and wondered why the $100,000 limit was being inserted into the proposed new financial rule and not the regulation. Another delegation echoed that question.

204. In her response, the Director said that the regulations were not being submitted to the ACABQ because they were restatements of existing regulations, not new ones. She said that the reason the $100,000 limit had been placed in the rule and not the regulation was because it was easier to modify a rule if at any time in the future it was thought necessary to change the dollar limit on reporting requirements. The Chief Financial Officer of UNDP said that he concurred that the dollar level was better placed in the rule but that, along with the dollar limit to be established, was up the Board to decide.

205. The Executive Board adopted decision 2001/6 (see annex I).

UNFPA segment

Statement by the Executive Director

206. In her first statement to the Executive Board in her new position, the Executive Director began by paying tribute to her two predecessors. She introduced herself and spoke about her family and professional background. She said that she had come from a middle class family in Medina, Saudi Arabia, and that her parents had taken seriously their obligation under Islamic principles to provide her with an education. She had also received financial support and encouragement from her Government. She said that as a result she felt that in many ways she was what the ICPD Programme of Action was all about – the empowerment of women. She spoke of the links between the Executive Board and the International Conference on Population and Development (ICPD) – both dated from 1994. She said that the support of the Board was crucial to the success of UNFPA in helping to achieve the goals of the ICPD Programme of Action. She intended to work in cooperation with the Board so that together they could achieve the organization's goals.

207. The Executive Director said that the organization had three main challenges in front of it: ensuring a financially stable Fund; strengthening its institutional capacity; and addressing the social and cultural context of programme development and delivery. She said that in securing the Fund's financial future, core resources had to be counted as the bedrock of the organization. However, core resources had reached a peak in 1995, following the ICPD, but had been declining since then, although there had been a modest improvement in 2000 compared to the previous year. On the other hand, there had been a dramatic increase in supplementary resources, particularly from the Netherlands and the United Kingdom in support of reproductive health commodity security. However, the shortfall in core resources had kept UNFPA from playing its full role in implementing the ICPD Programme of Action, and she called on all countries to work to rectify that situation and to make multi-year pledges if possible.

208. In order to strengthen the institutional capacity of UNFPA, the Executive Director said that she planned to concentrate on: (a) developing and implementing a strategic vision of the Fund's mid-term goals and operations; (b) assessing the recent realignment process after six months and making any necessary changes; (c) formulating a human resources development strategy; (d) developing a system to share knowledge and enhance communications both inside and outside the organization; and (e) increasing the visibility of UNFPA.

209. The Executive Director said that the third challenge that she had put forth, reconciling universal principles and differing cultural values, was as much a matter of personal conviction on her part as it was an organizational priority for UNFPA. Finding the balance between universal principles, national aspirations and cultural identities was a challenge for all countries and for UNFPA. The key understanding agreed to at the ICPD had to be kept close to heart: universal principles enunciated

at the ICPD and national priorities and cultural values are not contradictory but can interact to energize global and national debates and programmes. The challenge was for UNFPA to help countries in a way that was fully sensitive towards unique cultural values and with an infinite willingness to work with what was positive in terms of values and attitudes and to link the Fund's agenda with universal principles.

210. The Executive Director raised the topic of sector-wide approaches (SWAps) and said that the Fund would continue to participate actively in them and would work to ensure that reproductive and sexual health and rights and population concerns were fully reflected. She said that UNFPA was taking a lead role in ensuring reproductive health commodity security. She said that the Fund would continue to work with its partner agencies in pursuing United Nations reform and that UNFPA was committed to achieving the goals of the Millennium Summit.

211. At the end of her statement, the Executive Director paid tribute to Ms. Kerstin Trone, Deputy Executive Director (Programme), who was retiring. She outlined Ms. Trone career, which had included several responsible positions at UNFPA since 1975, and paid tribute to her personal qualities. The Executive Director said that Ms. Trone had been an invaluable asset to UNFPA.

212. Discussing her own leadership, the Executive Director said that she would be ably supported by the new Deputy Executive Director (Programme). She said that she intended to pursue a cabinet style of management that would include all of the Fund's Executive Committee in the decision-making process. She was also exploring modalities for including Representatives in the field in that process as well. She concluded by thanking all of the donors to the Fund, especially its major donors, and asked Governments to help the Fund in achieving its goal of financial stability. She also asked the Board to postpone consideration of the Fund's Technical Advisory Programme from the third regular session 2001 to the first regular session 2002.

213. Speaking on behalf of his group, the Vice-President from the Asia and Pacific group thanked the Executive Director for her excellent statement. He also expressed his group's appreciation for the work of Kerstin Trone in her career at UNFPA and congratulated the new Deputy Executive Director (Programme). He stated that there were numerous challenges facing the UNFPA, and the international community as whole, in building on the legacy of Dr. Nafis Sadik and in reaching the goals of the ICPD. He pledged the support of his group in working with the new Executive Director. He stressed the challenges posed by the worldwide HIV/AIDS pandemic and said that it had to become an even greater priority of the organization.

214. The Vice-President from the Western European and Others group welcomed the Executive Director to her new position. He said that members of his group were confident she would be able to take over where her predecessor had left off. UNFPA had an important mandate that it had to carry out in cooperation and

collaboration with other partners throughout the world. This was particularly true if women were to be empowered throughout the world. Increased resources were indeed vital if UNFPA was to carry out its mandate, and his country was increasing its contribution by 35 per cent in 2001. He asked that the Fund work more closely with foundations as a way of increasing resources. Institutionalizing results-based management (RBM) and incorporating lessons learned into UNFPA programmes was crucial if the institutional strengthening that the Executive Director had commented on was to be achieved. SWAps were vital and needed to be looked at by all parts of the United Nations system. He asked what specific strategies were being looked at to get men involved in promoting reproductive health and in empowering women. He echoed the importance of addressing HIV/AIDS, both within UNAIDS and outside of it. He also paid tribute to Ms. Trone, who would be greatly missed.

215. The Vice-President from the Eastern European group welcomed the Executive Director on behalf of his group. He paid tribute to the invaluable contribution that Dr. Sadik had made to UNFPA and to Ms. Trone as well. He noted that his region was well acquainted with the new Executive Director in her previous role as Director of the Division for Arab States and Europe. He expected cooperation between the countries in his region and UNFPA to develop and expand. He noted the many problems in his region, including high levels of mortality among the active population, decreasing life expectancies, the increased rates of sexually transmitted diseases (STDs), including HIV/AIDS, and the complexity of migration patterns. It was impossible to overemphasize the tasks ahead and the Fund would need effective mechanisms for management and a very clear system of priorities among its activities if the ICPD Programme of Action was to be put fully into place.

216. The Vice-President from the African group took the floor on behalf of the Members from his region. He noted that UNFPA was the lead agency for achieving the ICPD goals. He saw three key challenges: (a) the need to mobilize resources to meet the increased demand for UNFPA's services; (b) an effective human resource strategy; and (c) enhancing capacities at the field level. He stated that there was a need to involve national personnel in the programming process and said that schools and health centres were important entry points for accomplishing ICPD goals, which, he noted, had been incorporated into the Millennium Goals. He thanked Ms. Trone for all her work. He noted that she had devoted the largest part of her career to the population and reproductive health concerns of the developing world, including as Director of the Country Technical Services Team in Harare, Zimbabwe.

217. Many delegations congratulated the Executive Director on her new position and said that they felt certain that under her leadership the organization would continue the successful work of UNFPA and would build on the achievements of her predecessor. Several delegations commented on her opening statement, saying that they had found it to be inspirational. One delegation was pleased at the honesty of the Executive Director's presentation and felt that her ability to convey her passions to others would be a valuable asset to the organization.

218. Several delegations commented on the kinds of population and reproductive health challenges that the world was facing. One delegation noted that world population had surpassed 6 billion and that that had a great impact on diseases related to childbirth and the HIV crisis. Among the priority areas mentioned by delegations for attention were adolescent reproductive health, maternal mortality, violence against women and HIV/AIDS. It was noted that UNFPA was a well-established United Nations organ for addressing those challenges. One delegation stated that the Fund should find its own niche in each of these areas of concentration and then work with other partners in addressing their multi-dimensional aspects. One delegation said that perhaps it was time to re-examine the organization's mission statement to make it more focused and to more clearly concentrate on meeting the increased need for reproductive health services.

219. Several delegations addressed the role of UNFPA in empowering women. One delegation said that the world as a whole was giving insufficient attention to the rights of women and that this was an area in which UNFPA could lead. Another delegation concurred that the Fund was in a position to further the rights of women and adolescents and had to do so. Several delegations said that they considered the empowerment of women to be indispensable to human development, and many added that the role of men in achieving that empowerment had to be enhanced in spite of obstacles. UNFPA needed to be a stronger advocate for all such efforts.

220. Several delegations mentioned the devastation being caused by the HIV/AIDS pandemic and said that it had to be given the highest priority it deserved. One delegation noted the importance of the upcoming General Assembly Special Session on HIV/AIDS. Delegations mentioned that the role of men in combating HIV/AIDS needed to be emphasized, and one delegation asked the Executive Director how UNFPA was working to involve men in combating its spread. Several delegations said they were pleased that the Fund was addressing the issue of reproductive health commodity security. They noted especially the importance of reproductive health commodity security in the fight to prevent the spread of HIV/AIDS. This was an area where success could be tangible, and the Fund needed to work to give it higher impact and make it sustainable. The recent contributions of the Netherlands and the United Kingdom in support of reproductive health commodity security were noted with appreciation.

221. Several delegations said that if progress were to be made in meeting the challenges facing the world in terms of population and reproductive health, it would be necessary for all partners, including bilateral donors, to work together. Therefore, partnerships by UNFPA with other agencies needed to be continued and made stronger. The Fund should realize that the CCA and the UNDAF presented very good entry points for population and reproductive health issues into stronger and more coherent development programmes. Several delegations pointed out instances in which their own bilateral programmes were working together effectively with those of UNFPA. Programme countries also mentioned the value of the cooperation they were receiving from the Fund. One delegation, however, felt

that there was insufficient coordination among United Nations agencies and felt that the Resident Coordinator system needed to be further strengthened.

222. Delegations agreed that the Fund needed to be strengthened institutionally and said that only a competent, dedicated staff could do the work that needed to be done and noted that its staff was the Fund's most valuable resource. In order to obtain the maximum benefit from its staff, UNFPA needed to strengthen its human resource strategy. There was a new and challenging climate of good cooperation with the outside and within the staff. Indeed, the staff was enthusiastic about the new challenges, and that could be enhanced by getting young staff involved in helping to meet those challenges. Several delegations said that they were pleased with the new cabinet-style leadership that was being introduced and looked forward to seeing its results. One delegation said that results-based management needed to be further institutionalized if progress was to be made in reaching the goals of the ICPD and ICPD+5. The delegation said that UNFPA's ability to demonstrate results and its ability to attract greater funding were mutually reinforcing.

223. Several delegations concurred with the Executive Director that if the Fund was to fulfill its mandate, resources had to be increased. Delegations endorsed the view that core resources were the bedrock of the organization. Even though multi-bilateral resources had been increasing in recent years, the Fund's ability to carry out its programme depended on its ability to attract core funding. In that regard, the increase of 5 per cent in core resources in 2000 over the previous year gave cause for hope, even though the amount fell short of what was envisioned in the multi-year funding framework (MYFF). One delegation said that although the countries of the world were increasingly interdependent, not all states were assuming their responsibilities; indeed assistance to developing countries was declining. Increased efforts by a few donor countries were not enough. In that regard, it was encouraging that the donor base had increased in the last year. Another delegation urged underperforming donors to reconsider what they could do. Several delegations stated that lack of resources must not be an impediment to achieving the goals of the organization and felt that it was necessary to return quickly to the funding level of 1995 and to surpass it.

224. Several delegations referred to the Executive Director's remarks concerning the necessity of reconciling universal principles with cultural traditions. The Fund's guiding principle had to be the implementation of the ICPD Programme of Action. It was agreed that getting countries to implement universally agreed principles was not always easy but the agreements made at Cairo and Beijing had to be fulfilled. Often, universal principles were acknowledged but getting political support for their enforcement was difficult.

225. One delegation welcomed the Executive Director's remarks concerning SWAps and stressed that her Government considered SWAps to be a very positive innovation in securing national ownership of development programmes. The delegation urged UNFPA to intensify its participation in SWAps because the Fund's

expertise in reproductive health and HIV/AIDS could be of great benefit in integrating those areas into the relevant sectoral programmes. She noted that guidelines on participation in SWAps were being prepared for Resident Coordinators and other field staff and said that, when completed, these guidelines would be helpful in orienting the participation of United Nations agencies.

226. The Deputy Executive Director (Programme) expressed her appreciation for the generous comments made by several delegations on the occasion of her retirement. The Executive Director said that she felt very warmly welcomed and thanked the delegations for their expressions of encouragement and support. She said that she wanted to maintain an informal relationship with members of the Board. Following on comments made by various delegations, she said that HIV/AIDS was definitely a priority and that the Fund was working in a number of areas, including on such topics as mother-to-child transmission. Partnership with African countries in the fight against AIDS, including the $57 million from the Gates Foundation, showed the importance the Fund attached to combatting HIV/AIDS in sub-Saharan Africa. Procurement of commodities was one of the Fund's comparative advantages and ensuring the availability of condoms was an important weapon in the fight against HIV/AIDS. She said that she was proud that UNFPA had been ranked as the most responsive partner of UNAIDS. She said that the role of men was crucial in fostering reproductive health and the empowerment of women. The Fund was working to do more to get men involved as peer educators, to increase their understanding of the male role in the transmission of HIV/AIDS, and to educate boys on gender issues. In response to one specific question, she said that the Fund was using increasingly using national experts as technical advisers.

227. The Executive Director thanked the delegations for the support they had manifested on the resource issue. She was pleased that 102 countries had contributed to the Fund in 2000; the large number of developing countries that had contributed showed their commitment to population and reproductive health issues. The Fund had to continue to work to make population and development part of national agendas. The President of the Board concluded by thanking the Executive Director and saying that the discussion had been much more than a merely protocol welcome of the new Executive Director and had touched on many substantive matters of importance that the Executive Board would be looking at in coming sessions.

VIII. Country programmes and related matters

Progress report on the implementation of the intercountry programme

228. The Deputy Executive Director (Programme) gave an oral progress report on the first year of implementation of the intercountry programme approved by the Executive Board in January 2000. She said that the intercountry programme was based on the Fund's experience that certain needs of programme countries could be more effectively and efficiently addressed through global, interregional and regional cooperation and exchanges. The intercountry programme consisted of one interregional and four regional components. Together, these components contributed to achieving the Fund's overall goals by building capacity in reproductive health; supporting international and regional efforts to build information and data systems; and carrying out global and regional advocacy and information, education and communication (IEC) campaigns in order to mobilize public and political support for population and reproductive health programmes.

229. The priority areas in the intercountry programme relating to reproductive health included reducing maternal mortality, developing a comprehensive framework for quality reproductive health care, increasing reproductive health commodity security, providing reproductive health information and services to adolescents, preventing HIV/AIDS, and providing reproductive health care in emergency situations. The Deputy Executive Director gave several examples of UNFPA's work in each of these areas.

230. Likewise, in the area of population and development strategies, the Fund was concentrating on strengthening global, regional and national data systems, including indicators, for population and reproductive health policy formulation. A key focus of the intercountry programme was support to interagency efforts and publications that provided updated research and statistical data on gender and the situation of women. In the area of advocacy, support was provided to priority activities that would contribute to changing policies, legislation and attitudes in support of ICPD+5 and related goals and to mobilizing resources at the international and national levels.

231. The Deputy Executive Director concluded by saying that the intercountry programme played an important role in helping countries achieve their goals in UNFPA's core programme areas. In order to make the programme effective, the Fund needed to focus on strategic interventions responding to country needs. To do so, guidelines for monitoring the intercountry programme were being updated and weaknesses identified in the programme's last cycle were being addressed.

232. In commenting on the Deputy Executive Director's overview of the first year of the intercountry programme, some delegations asked about the value added by the intercountry programme, its overall focus and the prioritization of its activities. One delegation said that the presentation showed the potential of the programme but did not sufficiently demonstrate the value that it contributed to making country programmes more effective. The delegation said that it was encouraged to see that the programme was closely linked to ICPD+5 goals and promoted South-South cooperation. The same delegation asked for more explanation of how the intercountry programme was being coordinated with country programmes at the field level. It also said that the Fund needed to look at the capacity of the NGOs that were being supported through the intercountry programme and their role and contribution to national capacity-building. Another delegation said that it had no difficulty in agreeing with the rationale for an intercountry programme but wanted to be assured that it was designed properly and that the results were worth the investment. In that regard, it was necessary to demonstrate the value added and difference that the intercountry programme made to country programmes.

233. In her response, the Deputy Executive Director said that since the programme had only been operating for a year, the aim in the oral progress report had been to try to identify expected outcomes. The results would have to be looked at later to see if they met those expectations. She felt that the programme did have clear areas of focus that reflected needs identified at the country and regional level. These included reducing maternal mortality, promoting adolescent reproductive health and combatting HIV/AIDS. The work that was being done on developing indicators was of immediate utility in all of UNFPA's country programmes. South-South cooperation and training outside the home country were other examples of activities that were carried out through the intercountry programme but had direct impact on country programmes.

234. The Director of the Technical Support Division said that in order to achieve maximum results from the intercountry programme it was necessary to ensure better coordination of the programme at headquarters. An interdivisional working group was looking at how to improve such coordination and, particularly, at how to get country offices involved in intercountry programme activities, including through pilot activities at the country level. She reiterated that the programme was becoming much more focused in its reproductive health aspects, working only in the areas of maternal mortality, quality of care, HIV/AIDS, reproductive health commodity security and adolescent reproductive health.

235. The Executive Director stated that the programme was working to enhance linkages between national, regional and interregional activities. She cited two examples from her previous experience as Director of the Division for Arab States and Europe. One was the use of the Scouts movement in the Arab States to train adolescent peer educators regionally for service in their home countries. The other was the Pan Arab Family Survey, which looked at health requirements in the region of different members of the family, thereby providing data for use in national programmes.

Country programmes

236. The proposed UNFPA country programmes for Burkina Faso, Chad, Ghana, Namibia, Uganda, Indonesia, Turkey, Ecuador, Guatemala and Peru and the programme of assistance for the Palestinian people were approved by the Executive Board without separate discussion on any of the proposed programmes, as provided for in decision 97/12.

237. Following the approval, several delegations took the floor to ask questions about or comment on the newly approved programmes. In areas of general concern, one delegation commended UNFPA's work in helping countries to combat female genital mutilation (FGM), especially in such high prevalence countries as Burkina Faso, Chad, Ghana and Uganda. Concerning reproductive health commodity security, one delegation stated that worldwide demand for condoms had not expanded in recent years. This was a worrisome trend, and the delegation said that UNFPA should strengthen support in its country programmes for information, education and communication (IEC) efforts that promoted the use of condoms. It also asked the Fund to expand its assistance for technical management of reproductive health commodities, as was the case in the Ghana programme that had just been approved. The delegation also commended UNFPA for including post-abortion care in such programmes as Ghana and Peru but wondered why post-abortion care was not mentioned in other programmes, especially Burkina Faso and Chad, a country where 11 per cent of admissions to gynaecological wards were related to problems from abortions.

238. Concerning the Burkina Faso programme, one delegation said that there did not appear to be a link between the just-approved country programme and the Poverty Reduction Strategy Paper adopted the previous year and wondered if there had been sufficient participation of all stakeholders in the country programme formulation process. It noted that in the last six years, use of contraceptives in Burkina Faso had increased only a very modest amount – from 4 per cent to 6 per cent. The delegation asked about the implementation of sector-wide approaches (SWAps) in the country and UNFPA's involvement in them. It noted that UNFPA needed to work with the decentralized authorities as well as those at the central level. There was concern on the part of the delegation that coordination among United Nations agencies needed to be strengthened and that the work of other agencies, notably that of WHO and UNICEF in the areas of safe motherhood and HIV/AIDS prevention, had not been sufficiently acknowledged in UNFPA's country programme document. One delegation noted that its own work in Burkina Faso had been overlooked in the country programme presentation and felt that it was important that it be mentioned as it focused on fighting the spread of HIV/AIDS among adolescents, which was also a focus of UNFPA's programme.

239. Concerning Namibia, delegations concurred with the focus of the programme on reproductive health, particularly adolescent reproductive health as a way of

combatting the spread of HIV/AIDS. There were questions, however, as to why such a large percentage of the total was being sought through multi-bilateral assistance and whether or not that assistance had been secured. One delegation wanted further information on activities to coordinate the programmes of various donors that were working to prevent the spread of HIV/AIDS. One delegation pointed out the need for closer cooperation among government ministries involved in the fight against HIV/AIDS and felt that UNFPA might have a role in facilitating such cooperation. The delegation also felt that the Fund could help to strengthen the institutional capacity of the Ministry of Health and Social Services as well as to improve community involvement in the provision of reproductive health information and services to young people. As part of that effort, the regional AIDS committees, established by the Government to increase community participation, needed greater technical support. The introduction of the female condom in Namibia was felt to be complex and might bring only limited results.

240. In comments on the Ghana country programme, one delegation noted that its own bilateral programme overlapped with UNFPA's programme in three regions and felt that the work being done in the area of improving women's health was a good entrée for other work in the area of community empowerment. Concerning Uganda, one delegation spoke in favour of its concentration on reproductive health and in supporting successful national efforts to combat the spread of HIV/AIDS.

241. In remarks about the Indonesia country programme, one delegation said that it differed with UNFPA's characterization that the use of contraceptives was "stagnant": given the enormous economic upheaval in that country in recent years, the fact that the contraceptive prevalence rate had been maintained was quite a remarkable achievement.

242. Concerning Guatemala, one delegation noted that UNFPA's programme had many similarities to its own bilateral programme, which was working in the framework of poverty alleviation, and felt that there would be important synergies between the two programmes.

243. In discussing the programme of assistance for the Palestinian people, one delegation noted the large discrepancy between knowledge of modern family planning methods and the use of such methods. It said that that showed the need for greater advocacy and IEC efforts. The delegation also asked for further details about the activities that would be supported in the approved programme and their geographical focus. The same delegation noted that the country programme presentation had reported a high level of cooperation between UNFPA and the Palestinian Authority. The delegation said that its own bilateral cooperation programme had experienced resistance in introducing reproductive health topics into the educational system and wondered whether UNFPA was being over-optimistic about how much could be achieved in that regard. It also asked how recent unrest in the Occupied Palestinian Territory might affect the implementation of the programme. Another delegation said that it had found that the UNFPA programme

responded appropriately to conditions in the Occupied Palestinian Territory. The delegation requested additional information on communications between UNFPA headquarters and the field office and on coordination with other United Nations agencies. It also asked the extent to which the programme was dependent on outside support and what was being done to build up the capacity of the Palestinian Authority and local NGOs to ensure future sustainability.

244. The Permanent Representative of Ghana expressed his appreciation for UNFPA's programme in his country. He commented on certain aspects of the programming process. He said that preparations had begun with the mid-term review of the previous country programme. The entire process included Ghanaian stakeholders and had emphasized the concept of national ownership. The development of the programme and subprogrammes was undertaken using the logical framework, enabling clear identification of programme priorities and deliverables. Linkages with relevant national policies were emphasized as was complementarity with the programmes of other development partners. The approach was consistent with the objectives of the UNDAF and CCA. He noted that the focus on 24 northern districts came about as the result of recommendations from the mid-term review. He informed the Board of the positive role that the CST headquartered in Addis Ababa, Ethiopia, had played in the development of the country programme. He recommended that whatever system for technical support was decided on in the future that funds for technical assistance be held at the field level and be allocated according to the country's own felt need for technical assistance. He also said that he hoped that the global strategy for ensuring reproductive health commodity security would be vigorously pursued. He asked for the consideration of donor governments towards the multi-bilateral component of the approved UNFPA programme for Ghana.

245. The delegation of Burkina Faso commended UNFPA on helping to develop a strategy for reducing maternal mortality, which was producing results. It noted that the Fund was active in the fight to combat the spread of HIV/AIDS. The delegation also spoke about the country's need for financial support in conducting the upcoming census.

246. The Permanent Representative of Ecuador expressed his Government's appreciation for the programme approved by the Board. He noted that with support from UNFPA and others in the international community his country had made much progress in reaching its population goals, in improving the situation of women and in combatting HIV/AIDS. He noted, however, that other international donors were no longer funding programmes in the areas of population and reproductive health in his country and that UNFPA might be left as the only player in the field.

247. The General Director of the Office of Financing, Investment and External Cooperation of the Ministry of Health of Peru said that his ministry supported the proposed programme and that it would also be devoting its own resources to population and reproductive health programmes in line with the UNFPA programme

that had just been adopted. The Government supported the ICPD Programme of Action and current programmes were in conformity with it, as part of the country's development priorities. He thanked the Board for approving the programme; his country still faced a number of challenges and the UNFPA country programme would help to meet them.

248. The representative of Palestine thanked the Board for the approved programme and said that he would particularly like to express appreciation for the work of the UNFPA field office in Jerusalem, which was excellent. He noted that the General Assembly had recently reiterated to the international community the need for economic and social assistance to the Palestinian people and for freedom of movement in the Occupied Palestinian Territory. He stated that the Palestinian Authority would continue to cooperate with UNFPA in population and reproductive health programmes.

249. The Director of the Africa Division thanked the various delegations for their useful comments and suggestions. She said that they would be taken into account in implementing the approved programmes in Burkina Faso, Ghana, Namibia and Uganda. She noted that in specific areas of cooperation with other international assistance partners it had not always been possible to spell out the details in the necessarily short country programme documents that were presented to the Board. Longer versions of the country programmes generated for internal use were much more explicit in that regard. The specific mention that had been made of one such bilateral programme in Burkina Faso had already been addressed with a corrigendum to the country programme document. The Director also said that some countries did not want post-abortion care to be mentioned explicitly in their programmes but that it was included in reproductive health services supported by UNFPA.

250. In relation to the large amount of multi-bilateral assistance being sought for the Namibia programme, the Director of the Africa Division pointed out that Namibia was classified as a "B" country under the Fund's resource allocation system. Therefore, the amount of core resources that could be devoted to the programme was limited. However, the AIDS pandemic was devastating the country, and active discussions were under way with other partners, including the European Union, for multi-bilateral support to combat the spread of HIV/AIDS. If such support were not forthcoming, the programme was designed so that activities could be concentrated in a limited geographical area. The Director also stated that the Fund's work in increasing community involvement in HIV/AIDS prevention had been elaborated in more detail in the long version of the country programme and would be fleshed out as the subprogrammes and component projects were developed. Because of resource constraints, the Fund was focusing its activities on HIV/AIDS and adolescent reproductive health. It would not be possible to provide financial assistance for the census, but UNFPA would provide technical assistance through the CST.

251. In relation to Burkina Faso, the Director informed the Board that a working group in Ouagadougou was studying the issue of training of reproductive health service providers. Lack of adequate skills by these providers might be one reason why the rate of contraceptive use had seen such modest increases. If so, the UNFPA programme would look at providing more support for training activities. If, as one delegation had suggested, there was inadequate coordination with the programmes of other United Nations agencies in Burkina Faso, then that would be looked into and rectified. She noted that as part of the UNDAF, all United Nations agencies would be involved in coordinated and integrated programme activities. For example, the same three regions had been selected by all United Nations agencies working in the country in order to maximize synergy and impact. The Fund would work within that framework with all stakeholders, led by the Government.

252. The Director of the Division for Asia and the Pacific said that he fully shared the analysis offered by the delegation concerning the contraceptive prevalence rate in Indonesia. He commended the Government for the work it was doing in spite of the economic crisis. He noted that the programme was being implemented in coordination with Indonesia's own national programme and that UNFPA activities would be concentrated in three provinces.

253. The Director of the Latin America and Caribbean Division thanked delegations for their positive comments about coordination in the approved programmes. She noted that post-abortion care was included in reproductive health services in all countries for which new programmes had been approved, even if it was not mentioned explicitly. She also called attention to the fact that all three programmes would require substantial efforts for the mobilization of extra-budgetary resources due to the limited amount of regular funds that were available for "B" countries, even though wide social disparities and high rates of poverty still prevailed in those countries.

254. The cluster manager for the Arab States thanked delegations for their comments about the programme of assistance to the Palestinian people. She said that UNFPA was solidly positioned as lead agency in the area of population and reproductive health and in assisting in establishing reproductive health systems in the Occupied Palestinian Territory. The Fund worked with all partners present in the Occupied Palestinian Territory in the context of a health and population coordination group. UNFPA had, from the beginning of its operations in 1996, concentrated on institutionalizing integrated reproductive health services, logistics management, a health information system, counseling and referral service and in developing normative standards, including protocols and guidelines for quality of care. UNFPA had adopted a participatory approach that involved the Ministry of Health, civil society, other United Nations agencies and donors. She reported that UNFPA enjoyed the full trust of national counterparts.

255. The cluster manager said that the programme of assistance to the Palestinian people adopted by the Executive Board built on the achievements of the Fund's

previous programme in terms of building capacity in the health sector and in data systems. It employed a multi-pronged strategy that addressed humanitarian needs as well as rehabilitation and medium-term capacity building and development. UNFPA focused on the geographic areas with the lowest indicators (high fertility rate, low contraceptive prevalence rate and high maternal mortality and morbidity) and proposed to follow an incremental strategy in working to improve those indicators. The six provinces selected for UNFPA intervention were in the northern and southern portions of the West Bank and in the southern part of Gaza.

256. UNFPA worked with national counterparts to promote an approach based on choice and access to the highest quality of reproductive health care. It encompassed a holistic approach to reproductive health that included family planning, maternal care and, in some service delivery points, screening and management of sexually transmitted diseases (STDs). Screening for breast and cervical cancer and counselling to promote adolescent reproductive health counseling would be added to those services. The Fund planned to collaborate with the European Commission and United States Agency for International Development (USAID) to ensure reproductive health commodity security and would help the Ministry of Health and such NGOs as the Palestinian Family Planning Association to expand contraceptive choices and develop a logistics management system. The cluster manager said that adolescent reproductive health activities had been successfully developed in the context of in-school and out-of-school programmes. Two model centres in the camps of Al-Bureij and Jabalia were addressing the reproductive health needs of women, including young women and adolescents. The centres offered innovative activities such as counseling and psycho-social support in the context of gender-based violence. These activities also benefited from Italian funding and arrangements towards sustainability were being sought as medium-term objectives.

257. The cluster manager said that UNFPA would seek diverse modalities for implementing the programme as dictated by the security situation. For example, in the past months, UNFPA had used local procurement to ensure continuous access to supplies and basic drugs in the reproductive health centres. Similarly, due to the restrictions in mobility between one community and the other, staff from various development and aid agencies has been deployed to serve in neighbouring project sites, thus allowing the continuation of service delivery. The cluster manager concluded by saying that communication with the UNFPA Representative was carried out on a daily basis, particularly during the emergency situation.

258. The Deputy Executive Director (Programme) noted that limitations on space in the Executive Board documents precluded extensive detail about the programmes but said that the Fund was grateful to get comments from the Executive Board because they helped in orienting the country programme presentations. She noted that the country programme documents were a kind of "moving target" in that the format was constantly evolving. She said that perhaps the documents needed to include more information on cooperation with other development partners and to discuss at greater length the linkages between UNDAFs and the UNFPA programmes.

259. As for the programming process, the Deputy Executive Director thanked the Permanent Representative of Ghana for his statement. Indeed, the Fund concurred with him that the programming process was on the right track in that it started with the mid-term review, worked to foster national ownership, stressed linkages with the UNDAF, used the logical framework, strengthened linkages between subprogrammes, and provided for technical assistance from the CSTs in programme development. Of course, there was always room for improvement. She noted that the country population assessment (CPA) had preceded the CCA in Ghana, but that would change as more and more CCAs were completed.

IX. Other matters

UNOPS: State of the operational reserve

260. The Executive Director of the United Nations Office for Project Services (UNOPS) informed the Board that planning and budgeting had been synchronized in UNOPS for several years. Reporting on business results achieved had been based on each year's Business Plan, in a planned-versus-actual mode. As experience with business planning accumulated, actual achievements had become increasingly close to targets previously established for virtually all key variables of the UNOPS financial model.

261. In 2000, however, for reasons largely beyond UNOPS control, delivery fell significantly short of the target set in the Business Plan for that year. As a consequence, a shortfall in income could be expected for the financial year 2000.

262. In the financial regulations approved by the Executive Board in 1995, such a scenario had been anticipated. Shortfall in income and uneven cash flow were the principal elements that could be compensated for by the operational reserve. In the financial regulations, the Executive Director had the authority to make a drawdown from the reserve when such events occurred. The Executive Director was expected, however, to report to the Board, through the Management Coordination Committee (MCC), at the following regular session of the Board. That meant that there was no formal requirement for Board approval of a drawdown of the operational reserve in the instances foreseen in the financial regulations. It could also be argued that a report to the Board at the present time could be premature as the 2000 financial records were not yet finalized.

263. As the year 2000 was coming to an end and the possibility for an income shortfall became apparent, the Executive Director had send a written note to the MCC members advising them of the situation. That was followed by a presentation to the MCC in January 2001. As it was the first time that such a situation had arisen since the establishment of UNOPS in 1995, the MCC felt that an independent validation of the financial variables as they had evolved in 2000, including a critical review of the perspectives for the financial year 2001, should be undertaken. That was to include an evaluation of the ability of UNOPS to begin reinstating the drawdown into the reserve. The Executive Director had contracted the consulting firm KPMG for such an independent review. The following remarks were based on the KPMG validation exercise.

264. Having reviewed the UNOPS business cycle, KPMG had pointed out that "inevitably there would be times when money was going out faster than it comes in. In this regard, UNOPS is no exception." The role and function of a financial reserve could be different for funding organizations functioning on the partial funding principle. In the case of UNOPS, funding was either provided up front, or firm

financial commitments were made by the funding client, such as in the case of UNDP.

265. KPMG had reconfirmed that temporary shortfalls in income were considered a frequent occurrence for the business area in which UNOPS operated. The decision by the Executive Board to authorize UNOPS to establish an operational reserve was therefore a wise one.

266. The consultants also felt, as did the MCC, that a drawdown to compensate for a temporary shortfall in income was consistent with the use of the operational reserve as stipulated in the financial regulations.

267. In reviewing 2000 financial data available to date, KPMG had noted that since the introduction of the Business Plans in UNOPS, actual delivery had never deviated from planned delivery by more than 5 per cent. In 2000, however, delivery, as it currently stood, was expected to fall short 25 per cent of the target. The consultants had reviewed in some detail the three main elements that UNOPS had identified as having contributed to the extraordinary shortfall in delivery, and therefore in income in 2000: unanticipated reductions in project budgets approved under UNDP core resources; difficulties in receiving timely implementation authorizations for projects under Management Services Agreements (MSAs), and changes of government that required reconsideration of priorities. The first two of those elements had accounted for 86 per cent of the shortfall.

268. Based on provisional figures for 2000, KPMG had estimated that the shortfall in income could amount to some $3 to $5 million, or about 10 per cent of the UNOPS income target set for the year. The consultants had also reviewed measures taken by UNOPS management in anticipation of a shortfall in income. A number of steps had been identified that had been taken to reduce administrative expenses in 2000. KPMG concluded that: "Given that a significant portion of the income shortfall was a direct result of client decisions to defer or delay otherwise authorized programmes, it is difficult to see what other steps senior management could have taken to prevent the deficit."

269. As requested in the terms of reference, the consultants had then addressed the question of when and how the drawdown would be returned to the operational reserve. That was based on a review of the existing portfolio for implementation in 2001 and firm pipeline for the year. In that context, the consultants had observed: "With respect to 2001, we are able to see examples of project deferrals of 2000 now moving forward. New year activity also seems strong and, perhaps, conservatively projected. In addition, administrative expenses are being held tightly. This combination should provide for a financially successful year in which the surplus could be used to replenish the 2000 reserve."

270. KPMG had substantial experience in dealing with numerous clients in the not-for-profit area that maintained operational reserves. Based on that experience, and the observations made during the UNOPS review, a few additional recommendations were made. The Executive Director explained those recommendations to the Executive Board as they referred to issues under review by the Board. As regarded the nature of the reserve, the point was raised as to whether the prescribed level should be a mandated amount or a permitted maximum. KPMG believed "that treating the calculation as a permitted maximum (with perhaps an established minimum as well) [would be] a better tool for effective financial management."

271. Concerning the formula for calculating the level of the reserve, KPMG had made the following comment: "The calculation is the exclusive product of prior year actual results (of both programme and administrative costs). In the event of an anomaly, particularly in programme expenses, in a given year, the impact of calculated reserve could be dramatic. We therefore suggest that UNOPS consider an alternative mechanism (for example, a three-year moving average) in calculating permitted reserves." Other recommendations referred to management information systems and to fee setting, both topics that were envisaged for inclusion in the 2001 Business Plan.

272. As validated by KPMG, UNOPS had faced in 2000 a delivery and income shortfall for reasons beyond its control. As a result, in accordance with the provisions of the financial regulations, which the executive Board had approved for UNOPS, the Executive Director would make a drawdown from the operational reserve in order to bridge the temporary shortfall in income. The reserve itself was built up as a result of the strong financial performance of UNOPS during the previous four years and would continue to be replenished already beginning in 2001.

273. The Under-Secretary-General for Administration and Management noted that the Executive Director had identified that there was a possibility of an income shortfall for 2000 and the need to replenish that shortfall or a proportion of it during 2001. The Executive Director had based his comments on the work of KPMG. The MCC had not yet received that report (or a draft of it) nor had it discussed it. The report was expected to document how much was deferred in project income and the potential for make-up in 2001. It was also expected that the report would deal with validation of cost reductions and comments on the expected level of delivery and related income in 2001 as well as the mechanics of how much replacement could be foreseen in 2001. The MCC did not intend at the present time to take a decision with regard to the calculation of the operational reserve. The immediate task was to validate the financial statements for 2000 and the financial projections to be included in the Business Plan for 2001.

274. One delegation requested that a copy of the KPMG report be distributed to Executive Board members. With regard to comments made by KPMG regarding the

conservative income projection for 2001, he stated that conservative projections should be maintained given the performance in 2000.

275. The Executive Director of UNOPS would make the KPMG report available to the members of the Executive Board. He noted that, as stated in the report, UNOPS had made a number of assumptions that were quite different from the ones made last year. That had been at the origin of the KPMG comments on the conservative nature of the estimate. A very large proportion of the UNDP portfolio was still in question. UNOPS had assumed, in terms of rephasing, that only 80 per cent of the activities in 2000 would be rephased in 2001. Therefore, additional care had been taken in planning for 2001. It was the first time in UNOPS history that firmly made commitments by a funding source for projects that were already ongoing could not be honoured at the last moment. He confirmed that UNOPS did not intend to invoke any damages but rather utilize the operational reserve.

276. The Executive Board took note of the oral report on the UNOPS operational reserve.

277. The Executive Board concluded its work by adopting decision 2001/7 (see annex I).

Joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP (26 January 2001)

X. Frameworks for common country assessment indicators

Address by Poul Nielson, European Commissioner for Development and Humanitarian Aid: "The United Nations and Europe: active multilateral partners"

278. The first part of the joint meeting was chaired by H.E. Dr. Movses Abelian (Armenia), President of the Executive Board of the United Nations Children's Fund. The Administrator of UNDP, the Executive Director of UNICEF, the Executive Director of the United Nations Population Fund (UNFPA), the Assistant Executive Director of the World Food Programme (WFP), and Mr. Poul Nielson, European Commissioner for Development and Humanitarian Aid, were on the podium. The Administrator of UNDP introduced Mr. Nielson.

279. Mr. Nielson underlined the strengthening of relations between the European Commission and the United Nations, noting that there was scope for improvement and for the development of a more effective partnership. Cooperation with the United Nations system needed to be more systematic and programmatic and less ad hoc and project-based, and needed to intensify the mutual engagement in policy dialogue. This enhanced collaboration would be based on the recognition of the added value and core capabilities of United Nations bodies in relation to the development policy priorities of the European Community.

280. Citing the change in the development policy of the European Commission during the past year, Mr. Nielson described the three major elements that had helped to shape the new approach of the European Community to development policy and development cooperation. First, the European Commission and development ministers of the European Union had, in the Development Councils of May and November 2000, agreed to a European Development Policy. Second, the 15 European Union countries and 77 African, Caribbean and Pacific (ACP) countries in the ACP-European Union partnership had set a new milestone in their relationship by establishing the new Cotonou Agreement. Third, the Commission had taken far-reaching decisions on how to reform and improve radically the management of Community external aid. The three decisions had aimed to help the Community to respond to the double challenge of making external aid more effective and to help developing countries to integrate progressively into the world economy.

281. The resultant new development policy of the European Community focused on poverty reduction as the overall objective of its policies and activities. Within that global objective, the Commission would concentrate on six areas of comparative advantage: trade and development; regional integration and cooperation; macro-economic policies linked with poverty reduction strategies, in

particular the strengthening of social sectors such as health and education; reliable and sustainable transport, food security and sustainable rural development strategies; and institutional capacity-building, good governance and the rule of law. Cross-cutting issues such as gender, environment and human rights would be fully integrated into all activities.

282. The Community, as one of the largest donors in the area of development assistance, was trying to make the best use of existing frameworks and processes, such as the Poverty Reduction Strategy Papers (PRSP) and the United Nations Development Assistance Framework (UNDAF). In the development of country strategy papers for future multi-annual planning, the European Union would base its programming on those instruments, where available.

283. The commitments made at the World Summit for Social Development had served as a base for the new policy orientation of the European Commission for development cooperation. Those commitments had been fully incorporated in the ACP-European Union partnership agreement signed at Cotonou on 23 June 2000. The agreement emphasized poverty reduction and the integration of developing countries into the global economy. A first step would be to reinforce the political dimension of relations between ACP countries and the European Union, including human rights, democratic principles, rule of law, good governance, gender equality, attention to corruption and the importance of communication and information. Regional economic partnership agreements would be included in regional free trade areas, allowing ACP countries to integrate gradually into the world economy. Regional cooperation and integration were seen as cornerstones to effective response to globalization and trade was strongly linked to environmental and labour standard issues. The Cotonou agreement paved the way for increased foreign direct investments, which the European Union intended to stimulate through a new 2.2 billion euro business investment facility. Allocation of funds would be based on evaluation of the individual requirements of each country and their performance.

284. Mr. Nielson also described the reform of the external service of the Commission beginning in 2001. The aim to improve effectiveness was based on three main elements: a new Europe-Aid Cooperation Office to manage European Union external assistance; the establishment of stronger and more articulate internal mechanisms to ensure quality and coherence of European Commission assistance programming; and the thorough screening of existing commitments in an effort to improve the speed and quality of spending. The launch of the first phase of deconcentration and devolution of powers to 23 delegations in 2001 was well advanced and included the provision of human and material resources. All delegations would be included by the end of 2003.

285. One of the goals of the management of external assistance was to strengthen cooperation with selected United Nations development and humanitarian organizations. Changes to legal requirements would provide scope for more flexible cooperation with the United Nations, as would changing the corporate culture in the

European Commission with regard to the United Nations. A number of key meetings relating to eradication of poverty would be held in 2001, including the Third Conference on Least Developed Countries and the Meeting on Financing for Development.

286. The development policy of the European Community had entered a new era. Given its role as a major global partner in development cooperation, the Community was ready to bear its share of the responsibility to improve international society. More global governance was required, not less. Closer cooperation between the European Community and the United Nations family would strengthen that effort.

287. In closing, Mr. Nielson expressed regret over the recent decision by one major donor regarding the United Nations Population Fund (UNFPA), in particular at a time when there were so many abused and marginalized women who needed support from that organization. He emphasized the importance of the work of UNFPA and the International Planned Parenthood Foundation, organizations that contributed greatly to poverty eradication and a decent global community.

Comments by delegations

288. One delegation welcomed the "new era" in development cooperation heralded by the European Commission. Partnership with the United Nations, in particular, represented a very positive step. The main challenge was to intensify and build on coordination and cooperation. The speaker cited strengthened United Nations operational activities, the growing importance of regional activities, and enhanced collaboration between the United Nations and the Bretton Woods Institutions as positive developments. A realistic and holistic approach to development was required, one in which emerging ideas could be translated into policy guidance and strategies. Closer relations between the European Commission and United Nations in development and humanitarian activities was an important priority for her delegation, which currently held the Presidency of the European Union. Future dialogues between the Boards and the Commissioner would be welcomed.

289. Another delegation expressed gratitude to the Commissioner for his visit to Japan prior to attending the joint meeting of the Executive Boards. The speaker underlined the importance of ensuring public support for official development assistance (ODA) through more effective and efficient programmes. His delegation welcomed the opening of the Europe-Aid Cooperation Office. His country shared many of the objectives described by Mr. Nielson, in particular cooperation with the United Nations. At the country level, the PRSPs and sector-wide action plans (SWAps) were key instruments. Aid coordination, the speaker noted, should be a gradual process, without imposing views on developing countries. It was important for recipient countries to select the right form of development assistance depending

on the circumstances in their country. In that regard, both programme and project approaches could be considered.

290. Other delegations welcomed the importance that the European Union placed on development assistance and the growing cooperation with the United Nations. It was hoped that the Meeting on Financing for Development would help to reverse the decline in resources for development. One delegation underlined the successful experience of regional collaboration in the Latin America and the Caribbean region in poverty eradication. Another speaker raised queries regarding coordination among programming instruments at the country level and about how individual aid programmes of European Union members would be coordinated with the overall European Union aid programme.

291. The Executive Director of UNICEF expressed appreciation for the leadership of Commissioner Nielson in forging a partnership between the European Union and the United Nations. UNICEF was committed to working with the European Union in the ongoing dialogue proposed by the Commissioner. She also noted that UNICEF looked forward to the 10 year review of the World Summit for Children to be held in 2001.

292. The Executive Director of UNFPA thanked the Commissioner for expressing support for UNFPA, which would support the activities he had proposed, particularly in the regional context.

293. The Assistant Executive Director of the World Food Programme thanked the Commissioner for his statement and explained that his organization had recognized the important role of the European Union by adding a permanent observer seat for the European Union at its Executive Board.

294. The Administrator of UNDP expressed support for the partnership between the United Nations and the European Union, underlining the importance of the new initiative.

295. Mr. Nielson responded to the comments and queries raised. He stated that the Commission looked forward to accelerating the dialogue with the United Nations. He underlined the importance of cooperation in the area of conflict prevention and in activities aimed at bridging the gap between crisis and development. He emphasized the importance of effectiveness in development cooperation in maintaining public support for ODA. With regard to programming, he stressed the key importance of sector-wide action plans as a way of improving the quality and predictability of development activities. Using PRSP as a framework enabled better donor coordination, through the involvement of the Bretton Woods institutions. He emphasized the need for collective action on feasible programmes with demonstrable results. In response to a query raised, Mr. Nielson stated that the

European Union would not provide core contributions to the United Nations funds and programmes, as individual members were already donors. It was hoped that the Meeting on Financing for Development would help to mobilize public support for ODA.

Presentation on progress with the use of common country assessment indicator frameworks

296. The second part of the joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP was chaired by Ms. Ulla-Maija Finskas-Aho (Finland), Vice-President of the Executive Board of the WFP, who conveyed the greetings of the President of the Board. She informed the delegations that the session would look at the progress that was being made in developing and using common country assessment (CCA) indicators. She introduced the Chairperson of the ad hoc working group of the United Nations Development Group (UNDG) on CCA indicators.

297. The Chairperson of the ad hoc working group said that the development of the CCA indicators was an example of United Nations system cooperation at its best. In addition to the organizations represented on the podium, the Statistics Division of the United Nations Department of Economic and Social Affairs (DESA), all of the regional commissions and other agencies participated actively in that work. He stressed that the CCA was a country-driven process for reviewing and analyzing the national development situation, that flexible guidelines ensured responsiveness to local needs and conditions, and that the CCA promoted partnerships among national and international development partners. He stated that the list of indicators included in the framework contained in the CCA guidelines was suggestive and not prescriptive or exhaustive. The indicators were designed to demonstrate the progress towards achieving the major development goals of United Nations conferences, summits and conventions held in the 1990s. The indicator framework also helped to identify data gaps and areas in which national statistical systems needed to be strengthened.

298. In order to assess progress in the use of CCA indicator frameworks, the working group had sent a questionnaire to those countries that had completed CCAs since the guidelines had been developed and had received responses from 36 out of the 37 countries canvassed. The survey had shown that United Nations country teams, working with national Governments, were using country-specific indicators. Data availability was the key determinant of which indicators were used. Most of the country teams reported close working relations with Governments, particularly national statistical offices and line ministries, with national experts being widely used. The survey found that the role of the national statistical office was central in terms of selecting and validating the indicators. In that regard, most country teams reported that they relied primarily on national data sources and that only in crisis or post-crisis situations did they rely heavily on international sources.

299. The survey had shown that most United Nations country teams had either established databases for the follow-up of international conferences or planned to do so. The ability to keep these databases up-to-date, however, was hampered by resource constraints and lack of expertise. The indicators in CCA frameworks were used as a basis for country assessment and analysis, for identifying key areas for policy and programme development and as a tool for joint advocacy and programming. Many country teams reported CCA linkages with other ongoing policy frameworks and several mentioned linkages with PRSPs. A majority of country teams reported having programmes to strengthen their statistical capacity or plans to do so within UNDAF.

300. The Chairperson indicated that there were several future challenges. The CCA indicator frameworks needed to evolve to respond to new priorities in national plans, conference reviews and the Millennium Declaration. Data collection was costly and only limited resources exist to strengthen statistical systems. Continued international financial assistance and technical expertise were therefore required. The development of new indicators should build on best practices from previous experiences and should take advantage of greater country and regional participation.

Presentation by Nepal Country Team

301. The Vice-Chairman of the National Planning Commission of the Government of Nepal reported that the United Nations system had been working in Nepal since 1951 and that many tangible results had been achieved in improving the lives of the Nepalese people. The United Nations was a trusted friend and partner of the Government. He noted three projects in which UNDP, UNICEF and WFP were working to complement each other by making best use of their comparative advantage. He took special note of the concrete steps taken to enhance cooperation through the CCA and UNDAF. As Chair of the national workshop on the CCA draft, he had been particularly pleased with the rich debate on the development challenges of the country that the formulation of the CCA had generated.

302. The CCA indicator framework had been created over a period of 18 months during which a series of consultations had taken place with various government bodies engaged in data collection and with policy makers and other officials who needed and used that data. They concluded that a balance was needed between what was desirable and what was feasible. He singled out the United Nations inter-agency theme groups for their instrumental role in finalizing data needs and their sources. The data, comprehensive and up-to-date, would allow the Government to monitor systematically the realization of goals agreed to at the international conferences. One noteworthy intervention had been the close cooperation between the Government and United Nations organizations to make the upcoming population census more gender sensitive.

303. The United Nations Resident Coordinator and UNDP Resident Representative said that the CCA indicator framework in Nepal had helped to assess the overall development situation and to identify the main challenges. It underpinned the analysis of development needs and helped to monitor progress towards the achievement of global targets and the realization of UNDAF objectives. It identified data gaps and the need for capacity building. It was part of a "Triple A" strategy in which assessment, analysis and action all played into each other. The CCA indicators that were being used had been selected because of their relevance to the Nepal context and the availability and quality of data. The participants in the process, the Government, United Nations organizations and other development partners, met in inter-agency theme groups to decide on the indicators. They had reached a consensus on 114 indicators, based on 28 government and 7 international sources, although some gaps remained. To close those gaps, the national information system had to be strengthened in the areas of data collection, data processing and the harmonization of national statistical systems.

304. The UNFPA Representative in Nepal reported that the development of CCA indicators in Nepal had reduced the duplication of efforts by different organizations and had increased team spirit and the sense of purpose among United Nations staff in the country. The CCA document that had been produced had been well received, both in Nepal and beyond. In noting lessons learned, the UNFPA Representative said that the process could have been even more participatory, adding that it had increased the already heavy workloads of the inter-agency theme groups. He also said that it would have been more productive to have used a rights-based approach from the outset.

305. The results of the CCA highlighted the development challenges facing Nepal. The overall challenge was to reduce widespread income poverty: 42 per cent of the population lived below the Government-established poverty line, and the national development plan called for cutting that percentage in half by 2015. There were great disparities in income and the country ranked low on the UNDP human development index. The population growth rate continued to be high (with population doubling every 29 years) and health indicators, such as the maternal mortality rate and the infant and under-five mortality rates, were disquieting. Nepal had the highest child mortality rates in South Asia and women had little access to antenatal care. Primary school enrolment was improving but was still low compared to other countries and there were large discrepancies between the education of girls and boys. Women continued to suffer other disabilities as well.

306. The UNICEF Representative discussed how UNDAF would help the country move from analysis to action. He gave two examples. In the first case, he began with an assessment of girls' education: the net primary enrolment rate of girls was 19 points below that of boys. An analysis of that assessment had shown that current programmes were not closing the gap and that there was a need to increase the percentage of female teachers and to improve the quality of education provided to girls. UNDAF had now developed a joint programme to reach those goals. In the second example, the assessment showed gaps in labour market data with regard to

gender distribution, child labour and the informal sector. As a result, it became apparent that the government employment policies failed to address some of the country's critical problems. UNDAF had therefore included joint support for the establishment of a labour market information system and a labour force survey.

307. The WFP Representative/Country Director concentrated on joint United Nations actions in Nepal. He pointed out the geographic concentration of United Nations activities in the most deprived parts of the country. United Nations organizations were cooperating in a number of projects in several districts in the food-deficit western part of the country. He discussed the Achham Initiative in a western district, where UNICEF, the World Health Organization (WHO), UNFPA, WFP, UNDP and the United Nations Educational, Scientific and Cultural Organization (UNESCO) were all collaborating on projects that encompassed the empowerment of women; child survival, growth and development; control of HIV/AIDS; good governance; income generation and employment opportunities; and improvement of the social and economic status of low caste and oppressed peoples. Several organizations were also cooperating on a joint initiative against the trafficking of women and girls.

308. The Permanent Representative of the Kingdom of Nepal said that the fact that Nepal had been chosen for a special presentation to the joint meetings of the Executive Boards was testimony to the mutual confidence and successful partnership that existed between the Government and the United Nations organizations. Since those organizations had traditionally been the country's best and most reliable partners, the Government sought to increase its cooperation with them. The Government would work within any model that promised to improve development performance; the Permanent Representative saw the CCA and UNDAF as such mechanisms. He cautioned however that Nepal could not afford the luxury of experimentation that held no reasonable chances of success and that there was very little margin for error. He stressed that cross-donor and cross-sector compatibility were essential but that the development of a multiplicity of donor-specific planning tools would pose great problems to a vulnerable country such as Nepal.

309. In their comments, delegations appreciated the presentation by the United Nations country team in Nepal and the statements of the Vice-Chairman of the National Planning Commission and of the Permanent Representative. Several delegations noted the importance of the CCA and stated that it had to be at the heart of United Nations development efforts. They hoped that the role of CCA would be to focus on the discussion during the triennial policy review of the Economic and Social Council (ECOSOC) as well as in the substantive discussions on indicators and capacity-building in the Statistical Commission. The presentation, and that of the Chairperson of the UNDG Working Group on CCA Indicators, had shown what the CCA could contribute to capacity-building. It had also shown the centrality of the role played by indicators in helping countries to reach their national development goals and in orienting United Nations assistance.

310. Several delegations stated that they were pleased that the CCAs gave priority to nationally developed indicators. One delegation said that more consideration should be given to the validity of regional indicators as well. It was stated that more had to be done to analyze the validity of the different indicators – one single, global indicator would not work for all countries. CCAs had to be Government-owned but consultations needed to be made with all members of the United Nations system and, to the extent possible, with civil-society organizations, the private sector and bilateral donors as well. Greater coherence was needed among data collection processes and demands in developing countries. It was hoped that joint situational analysis would help to reduce the number of analyses that donors and the Government would have to do.

311. One delegation stressed how vital it was to establish clearly that CCAs and UNDAFs needed to correspond with the objectives of the countries concerned and that Governments needed to play a leading role in their development. It was pointed out that the indicators used to monitor the progress of conference goals needed to be reviewed for their technical validity by the United Nations Statistical Commission, an inter-governmental body. For example, there were no internationally agreed goals and no way to monitor the application of good governance. The delegation stated that all indicators needed to conform to the principles of the Charter of the United Nations. It was also pointed out that agreements made at global conferences applied to all countries, not just to developing countries.

312. One delegation reported on the evaluations of its Government regarding the implementation of CCAs and UNDAFs in two countries. It reported that progress had been made in building teamwork and believed that greater collaboration in developing the CCA meant better development assistance programmes. It must be remembered that the CCA was a process and would continue to evolve and develop. Another delegation pointed out that it was ever more difficult to convince taxpayers of the value of official development assistance. The CCA and UNDAF mechanisms had roles to play in showing the public that donor funding was not being wasted. The key was to make sure that the processes did not become overly bureaucratic and that they remained flexible in meeting the needs of different developing countries. The same delegation called for more coordination with the work being done by bilateral donors.

313. In his response, the Vice-Chairman said that capacity-building was absolutely central to the concepts of the CCA and UNDAF. In his country, the process had worked very well, with the Government having been involved since the very first discussion on the development of CCA indicators. That was absolutely necessary if the Government was to have a sense of ownership. The process, however, had revealed the extent to which it was necessary to strengthen the national information infrastructure. United Nations organizations, in that regard, were helping to enhance the ability of the Central Bureau of Statistics to generate and disseminate data.

314. The Resident Representative said that bilateral donors were involved in the theme groups and were part of the consultation process. The challenges ahead included the shortage of data and the need to strengthen the capacity of national institutions to meet that need. The Chair of the working group said that there had been great progress in implementing CCAs, but the process was still in its infancy. It was necessary to keep reviewing and fine-tuning, especially to ensure government involvement and ownership. Further capacity-building was necessary, especially with regard to gender-related data, which were often only rudimentary. That was one area in which United Nations organizations were particularly involved. He acknowledged that there was a lack of good governance indicators. He said that it was true that the CCA was a tool for use in developing countries. The monitoring bodies of international treaty, however, were involved in assessing civil and political rights in both developed and developing countries.

Discussion with Executive Heads of funds and programmes

315. The third part of the joint meeting was chaired by H. E. Mr. Gert Rosenthal (Guatemala), President of the Executive Board of UNDP/UNFPA. He welcomed to the podium the Executive Director of UNICEF, the Executive Director of UNFPA, the Administrator of UNDP and the Assistant Executive Director of WFP.

316. The President of the Board suggested that delegations move their discussion from the country level to a more corporate, general level. One delegation asked what the next step would be in integrating the CCA/UNDAF process into programme procedures. He further queried the role of a rights-based approach. The UNDP Administrator highlighted the goals adopted at the United Nations Millennium Summit, which, he said, brought new energy to the UNDAF process and committed all Governments to global and national alliances. This would allow country teams to align themselves behind the goals of the Summit, engendering more effective cooperation among all partners, thus facilitating programming. The Administrator emphasized that the implementation of a rights-based approach was not the imposition of an outside agenda, but rather an opportunity to mobilize partners at the country level to achieve progress in a way everyone could support. The Executive Director of UNFPA noted that the rights-based approach gave Governments the tools to fulfil their treaty obligations.

317. The Executive Director of UNICEF stated that a number of countries – for example, Cambodia, Colombia and Mozambique – were adopting a rights-based approach. She stressed that the CCA/UNDAF processes should be led by the Government, with participation of all partners, including non-governmental organizations. She noted that great progress had been made toward government ownership of the process and that the CCA and UNDAF were being linked with the PRSP and the Comprehensive Development Framework (CDF). She reflected on how, in the early joint meetings, the Executive Boards had considered what the CCA/UNDAF could be, and at this meeting, Board members were already, after a relatively short period, discussing what had been achieved. To ensure that the

process was not a burden, both the Executive Director of UNICEF and the Executive Director of UNFPA stated that situational analyses at the agency level could no longer be required and had already been replaced by the CCA/UNDAF processes in certain cases.

318. A number of delegations thanked the Nepal country team for their fine presentation and noted that there was both merit and substance in United Nations cooperation in that country. One delegation asked how the lessons of a successful CCA/UNDAF process, as demonstrated in Nepal, could be used by other country teams and what kind of leadership could be exercised from the central level. Another delegation asked what could be done to support wider development and dissemination of information and how the Bretton Woods institutions could be more involved with the work of the United Nations system. One delegation requested information on the link between data used in national human development reports and those of the CCA.

319. The Administrator of UNDP stated that major efforts were under way to diffuse good practices through joint training and that in cases where it was determined that the UNDAF process was lagging, missions were sent by the United Nations Development Group (UNDG) to evaluate the situation and to support country teams with their exercises. In the area of information dissemination, he brought to the attention of Board members the new Internet sites: RC Net (the United Nations Resident Coordinator Network) and DevLink (communications to support United Nations country teams). He stated further that national human development reports drew heavily on CCAs. He also noted that United Nations organizations were cooperating with the Bretton Woods institutions through their involvement in CDFs and PRSPs. He emphasized that ultimately what was needed was strong country ownership.

320. One delegation noted that national data collection in developing countries was generally weak and stressed the need for capacity-building. Another stated that CCA indicators should be varied and flexible, depending on the country situation. Another delegation asked for clarification on the role of regional commissions. The Executive Director of UNICEF said that regional commissions had been briefed and there was improved and growing interaction. The Executive Director of UNFPA stated that her organization had supported regional commissions in data collection, adding that there was already a great deal of cooperation in this area.

321. The Assistant Executive Director of WFP outlined periods in history when the United Nations system dramatically changed course. The CCA/UNDAF process was a logical and sensible tool to understand preceding movements, including the international conferences of the 1990s. He said that there was currently a will to cooperate and many effective country teams. He noted also, however, that each organization had an important, separate mandate.

322. The President of the Board summarized, by stating that there had been significant progress in the area of indicator frameworks. He highlighted the importance of government ownership and noted that frameworks needed to be adapted to local needs.

Statement by Executive Director of UNICEF on staff security

323. The Executive Director of UNICEF addressed the meeting, on behalf of the UNDG, on concerns about staff security. She stated that the safety of United Nations staff was a matter of greatest importance for the entire system. In recent years, risks had grown sharply, in direct proportion to the spread of armed conflict and instability. She said that additional resources were urgently needed to bring about significant improvements in staff security in the field. Only Governments could provide the political will and additional resources needed and only Governments could institute measures to end the culture of impunity, in which those who perpetrate crimes against United Nations staff go free.

324. She noted that the Secretary-General had drawn up a series of proposals designed to establish minimum security arrangements and that he had requested that an additional $5 million be placed in an existing trust fund. She noted that contributions to the fund had lagged and therefore appealed to members of the Executive Boards to make a firm commitment to the fund in order to protect United Nations staff.

325. In closing the meeting, the President of the Board thanked the distinguished members of the panel, executive heads of agencies and colleagues from the Executive Boards. He noted that the meeting brought added value to the organizations concerned, without detracting from their respective responsibilities. He stated that, as requested by the Economic and Social Council, the report of the joint meeting would be transmitted to the Council by the three bureaux of the Boards.

Part two
Annual session

Held at United Nations Headquarters in New York from 11 to 22 June 2001

I. Organizational matters

1. The President of the Executive Board made an opening statement in which he informed the members of the Board of the meetings of the Bureau that had taken place since the Board had met in January.

2. The President informed the Board that the Vice President of the Western European and Others Group, Mr. Grant Robertson of New Zealand, had been transferred to another post. The Board elected Ms. Ginette LaChance of Canada to replace him for the remainder of the year. The President welcomed Ms. LaChance to the Bureau and said that he looked forward to working with her.

3. The Board adopted the revised agenda as detailed in document DP/2001/L.2 and Corr.1 as orally amended by the Secretary.

4. The Secretary of the Board informed the Members of the status of the documentation to be discussed during the session. She reported that, regrettably, not all of the reports and conference room papers being made to that session of the Board were available in the official languages. They would be distributed to the Board during the session as they were issued by the United Nations Conference Services.

5. At the end of the session, the Executive Board agreed to the work plan for the second regular session 2001, to take place in New York, 10-14 September.

UNFPA segment

II. Report of the Executive Director for 2000

Annual report for 2000

6. The Executive Director opened the annual session 2001 by presenting a statement to the Board on recent events of interest since the previous session in January. She began by welcoming Ms. Imelda Henkin as the new Deputy Executive Director (Management). She reported that UNFPA was going through a transition process that had five main components: (a) developing and implementing a strategic vision of UNFPA's mid-term goals and operations; (b) assessing the realignment process; (c) formulating a human resources development strategy; (d) making UNFPA a knowledge-based organization; and (e) increasing the Fund's visibility. The Fund had received grants from the Bill and Melinda Gates Foundation, the John D. and Catherine T. MacArthur Foundation, the David and Lucile Packard Foundation, the Rockefeller Foundation and the Government of the United Kingdom to implement the transition process.

7. The Executive Director said that strengthened field operations was the top priority for UNFPA. For that reason, the Fund was undertaking a field needs assessment study. She would be presenting the results of that study and any recommendations for change resulting from it to the Board at a later date. In addition to carrying out the comprehensive review of the needs of UNFPA country offices, she said that the Fund's priorities for 2001 were: reinforcing programming in such areas as reducing maternal mortality, promoting adolescent reproductive health and preventing HIV/AIDS; further implementing the organizational realignment and developing a human resource strategy; mainstreaming results-based management throughout the organization and improving information, communications and knowledge-sharing; and promoting global advocacy and partnerships.

8. The Executive Director reported that she had been travelling a great deal since taking up her post at the beginning of the year, both to programme countries, including to the very important African Summit on HIV/AIDS, and to donor countries to enlist their support. Many of the donor Governments she had met with had been very positive in their expressions of support for the work of UNFPA. Regarding financing, she said that she was both an optimist, because contributions to the Fund's regular resources were up slightly for the first time in several years, and a realist, because income was still below the level of $312.6 million at which the Fund had peaked following the ICPD in 1995. She thanked the various donors, many of which had increased their contributions in 2000. She was especially pleased that for the first time the Fund had had 100 donor countries in 2000.

9. The Executive Director announced that Dr. Nafis Sadik, her predecessor as head of UNFPA, and the Japanese Organization for International Cooperation in Family Planning (JOICFP) had been awarded the United Nations Population Award for 2001. She concluded by talking about accountability, saying that it was important that it be instilled throughout the organization and that that was particularly true of senior management. In fact, she should be the most accountable. She had prepared

her three-year work plan with concrete results explicitly identified, and she expected to be held accountable by the Board for achieving those results.

10. In introducing the annual report for 2000 (DP/FPA/2001/4) to the Executive Board, the Executive Director said that the first part dealt with major events of the year, including the retirement of Dr. Sadik and the Board's tribute to her leadership, while the second part focused on the Fund's advocacy activities during the year. She said that it attempted to gauge the progress made in implementing advocacy activities at the country level by capturing the results most frequently cited in country office annual reports in order to give a sense of the magnitude of those activities and their rich diversity. She then mentioned some highlights from the statistical overview and Part III of the report, which had presented information on the Fund's work in six programme countries and in ensuring reproductive health commodity security and providing humanitarian assistance.

11. Numerous delegations congratulated the Executive Director on her first six months in office. One delegation commented that there appeared to have been a seamless transition under her new administration. Delegations also welcomed Ms. Henkin to her new position, saying they looked forward to working with her, noting the positive working relationships they had had in her various other positions in the Fund.

12. The annual report was well received, as was the progress report on the multi-year funding framework. Most delegations welcomed the focus on advocacy in part I of the report and commended the Fund for the quality of the presentation. One delegation expressed appreciation to the UNFPA secretariat for the high calibre of the report that had been produced. Another said that it was quite a good and comprehensive report but said that it would like to see future annual reports giving more extensive coverage on all areas of the Fund's work, including population and development strategies. Another delegation said that the annual report should be used to clearly demonstrate how close the Fund was coming to meeting the ICPD goals for 2015.

13. One delegation noted one seeming anomaly in the annual report and the statistical overview: while regular income had increased 5.1 per cent, programme expenditures were down 29 per cent. Another delegation noted that total resources had gone up by 27 per cent and did not understand why there had been such a decline in the amount going to programmes. Another delegation said that it hoped that the need to replenish the operational reserve had not led to a decrease in programme expenditures and that any such situation could be avoided in the future. One delegation said that it hoped that in the future there could be a better link between the statistical overview and other parts of the report so that, for example, the drop in programme expenditures would have been fully explained elsewhere in the report.

14. Several delegations said that they appreciated the report on advocacy in the annual report for 2000, and many called on the Fund to continue to strengthen its work in that area. One delegation said that it showed how the Fund was working to make profound changes in societal attitudes. Another delegation said that it agreed with the statement in the report that "good ideas do not sell themselves". In fact, targeted messages had been very successful in changing attitudes in its country. The delegation said that one of the main lessons learned was the need for flexibility: messages had to be adapted to local situations. Another delegation mentioned the

importance of capacity-building in advocacy efforts. Delegations agreed that advocacy efforts had to have clearly defined results and that attempts had to be made to measure the results of advocacy activities more carefully. They also said that advocacy had to be an integral part of the design of subprogrammes and not something that was extraneous to them.

15. During the discussion, several delegations mentioned the important role that UNFPA had to play in advocacy in such areas as HIV prevention, maternal mortality, the status of women, adolescent reproductive health and the role of men. Several delegations emphasized that these issues always had to be dealt with in terms of national cultural values. In that regard, it was mentioned that the involvement of religious leaders, as mentioned in the report on advocacy and by the Executive Director, was often the key to success. One delegation said that it was very pleased that the Executive Director would actively take up the challenge of relating programmes to social and cultural backgrounds.

16. One delegation said that the Fund needed to continue to show how better reproductive health and population and development strategies were essential to development. Another delegation stated that advocacy in the area of population and development strategies seemed to be getting short shrift. Some delegations said that, in fact, the annual report did not give enough attention to the programme area of population and development strategies generally. They said that it was important an important area of the Fund's work. Lack of a census, for example, hindered development. One delegation encouraged UNFPA to pay more attention to population issues in regions of the world like Eastern Europe, where high mortality rates and ageing populations were becoming increasingly serious issues.

17. Addressing the question of resources, delegations said that the slight increase in regular resources in 2000 was very welcome. One delegation said that while it was glad that the declining trend in resources had been reversed, the Fund still did not have the resources needed to play its role in attaining the ICPD targets for 2015. One delegation said that many people would suffer if resources were not forthcoming and the donor community should realize that there was no time to slow down when HIV infection rates were escalating so rapidly, when maternal mortality rates continued to be so high and when pregnancies by adolescents was a growing problem.

18. In the area of reproductive health commodity security, one delegation said that creating national ownership and sustainability were vital. In that regard, building logistics capacity was extremely important. The delegation said it would like to have more information on expected outputs and wanted to see a concise list of reproductive health commodities. Another delegation said that UNFPA had a role to play not just in the supply of condoms but in other reproductive health commodities as well.

19. Several delegations expressed support for the work of UNFPA in the area of humanitarian assistance, but one delegation expressed regret that the report to the Board did not put such assistance in the context of a human rights based approach. One delegation said that as for humanitarian assistance, people in distress did not need just food but had other needs as well: maternal mortality, HIV/AIDS and adolescent reproductive health were all issues that needed to be addressed in humanitarian situations. One delegation emphasized that the Fund's effort in training soldiers and peacekeepers as peer educators to prevent HIV was an

initiative that needed to be carried out on a large scale. Another delegation asked for information on the share of core resources that were being devoted to humanitarian assistance and on the staffing arrangements for such assistance.

20. Two delegations reported that representatives of their countries had participated in the mid-term review of the UNFPA country programme in China, which was reported on part III of the annual report. Both delegations said that the programme had made a positive impact in the counties in which UNFPA activities were being implemented. One delegation said that progress had been made in terms of voluntarism, training and capacity-building, and advocacy in support of reproductive health and said that improved reproductive health services had resulted in a reduced number of abortions. It said that the major constraint seemed to be lack of data to measure programme results. The delegation of China agreed with those delegations that had said that the UNFPA programme in its country was having a positive impact and reported that there had been declines in the number of abortions as well as in infant and maternal mortality. The delegation agreed that sometimes there were difficulties in getting data to assess results in the counties where UNFPA was working and that time was needed to make more qualitative assessments. The delegation also said that his country supported using the UNFPA-assisted counties to develop more effective HIV/AIDS monitoring and prevention programmes.

21. In her responses, the Executive Director said that, as mentioned by several delegations, UNFPA had an important advocacy role in promoting the ICPD throughout the world. Of course, in all its advocacy activities, UNFPA worked with or through other partners and that was one reason why it was very difficult to attribute directly the results of advocacy activities. Certainly, the whole United Nations country team needed to advocate together. In response to statements made by several delegations, she said that the Fund would continue to work with religious leaders and that she was setting up a special group to look at questions of cultural values. She strongly agreed that national ownership of advocacy, and other, programmes was essential and that they needed to be country-driven and based on the national priorities of each country.

22. The Executive Director said that the Fund divided its programme resources approximately 70 per cent for reproductive health, 20 per cent for population and development strategies and 10 per cent for advocacy. Those breakdowns were generally reflected in individual country programmes as well, depending on a country's specific needs, and that within those guidelines the Fund continued to emphasize work in the area of population and development strategies. It was certainly not an area that the Fund intended to overlook. Regarding humanitarian assistance, the Executive Director said the needs of women, especially pregnant women and new mothers, needed to receive increased attention.

23. The Deputy Executive Director (Management) thanked the members of the Board for their support. She said that as highlighted by several delegations UNFPA programme expenditures had indeed declined in 2000. That was because the Fund had had to draw on the operational reserve in the last couple of years. Because of that, in the first half of 2000 the Fund had reduced programme expenditures in order to replenish the operational reserve and to ensure that it would not overspend during the course of the year. In addition, $25 million of pledges for the year had not been received until the autumn of 2000, at which point it was too late to programme them effectively for the year.

24. The Chief of the Intercountry Programme Branch thanked those donor countries that had provided assistance for reproductive health commodity security. He informed the Board that the UNFPA strategy on reproductive health commodity security was being made available to the Board. The strategy provided additional information on how the Fund intended to make commodity security a core component of the Fund's work with programme countries, focusing on capacity-building, partnerships, advocacy, resource mobilization, sustainability and technical backstopping. UNFPA continued to train and orient Representatives and the Country Technical Services Teams (CSTs) on implementing reproductive health commodity security in programme countries. The strategy tried to identify clear outputs as well as the means of verifying those outputs. The list of essential reproductive health commodities requested by delegations was under review at WHO. It would be confirmed at a review meeting that was scheduled to take place in July and would then be made available.

25. The Branch Chief said that the Fund was looking at updating its procurement facilities, including looking at Web-based procurement. Governments were devoting more resources to ensuring reproductive health commodity security and more attention was being given to social marketing so that those who could afford to pay at least part of the cost would do so. Efforts were also being made to increase collaboration with the private sector. However, the world's least developed countries would continue to rely on donated commodities. It was estimated that the total global requirements for contraceptives were just under $1 billion a year, and about 40 per cent of that would have to come from donors.

26. The Chief of Humanitarian Assistance for UNFPA said that the needs of hundreds of thousands of refugees and internally displaced persons needed to be met so that they were not further traumatized. The strong commitment to human rights that was manifested in the ICPD Programme of Action was violated when those rights were taken away, as was also the case with displaced persons. With the support of several donors, UNFPA was working to strengthen its capacity to deal with such situations, with a small staff at headquarters and in Geneva. The Fund was looking at how to strengthen internal staffing, including a five-year strategy on staffing. UNFPA would continue to work with religious groups providing assistance in crisis situations. She said that only a very small part of regular resources were being used for humanitarian assistance. For most emergency-related support, the Fund had depended on contributions to the United Nations Consolidated Appeals Process (CAP) and other extrabudgetary support. The Fund had participated in all 2001 CAPS, and donor response was better than in previous years.

27. The acting Chief of the Population and Development Branch reported that the Fund had set up the branch within the Technical Support Division in order to support the work being carried out in the area of population and development strategies at the regional and country levels. He reported that the branch was working in several key areas, including the advocacy role it had played over three decades in building financial and technical support for population censuses. The Fund was working closely with the United Nations Population Division and the Paris 21 Consortium to build up a database to support evidence-based programming. UNFPA was working with its UNDG partners to ensure that population and development strategies were duly taken into account in Common Country Assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs). He informed the Board that the Fund was in charge of the Rio+10

chapter on the linkages between population, the environment and poverty and that the branch was preparing a report on operational aspects of those linkages.

28. The acting Branch Chief said that the next *State of World Population* report would be on population and the environment. He also informed the Board that a World Assembly on Population and Ageing would be taking place in 2002 to revise the plan of action that had been adopted in Vienna in 1982 and that UNFPA would be playing an active role. He said that one very important population and development issue was HIV/AIDS. The work of the Fund was not limited to HIV-prevention activities. UNFPA country offices were also involved in activities assessing and coping with the impact of HIV on different segments of the age structure, such as the growing number of AIDS orphans and the burdens placed on grandparents because of "missing generations".

29. In discussing areas mentioned as important ones for the Fund's advocacy efforts, the Deputy Executive Director (Programme) talked about the vital role that the Fund had to play in terms of HIV prevention among adolescents, for which it was particularly well placed because of its work in providing adolescent reproductive health services and counselling. He agreed with delegations that had said that more had to be done to reduce rates of maternal mortality and that more had to be done in integrating family planning into basic health services and in providing emergency obstetric care. Not only was the Fund active in helping to provide services in those areas, but it was also carrying out many advocacy activities to enlist the support of Governments, local communities and other partners.

30. The Director of the Asia and Pacific Division reported that he had recently returned from the mid-term review of the China country programme, in which a number of missions of Executive Board member countries in Beijing had participated. They had gone to three of the counties where UNFPA was operating. The review had been chaired by the Government of China and included the active participation of NGOs. The participants had come away with a very positive impression of the UNFPA country programme: the programme was being carried out with a human rights approach that had the full cooperation and support of the counties involved. The programme had set up local coordination groups at the county level; prevention and treatment of sexually transmitted infections had been incorporated into the training curriculum of health-care workers; and a database on local reproductive health indicators was being constructed. A final evaluation would be carried out later, and UNFPA would follow the situation systematically and report back to the Board.

Multi-year funding framework

31. The Executive Director said that she was pleased to introduce the first report of UNFPA on its multi-year funding framework (MYFF) for 2000-2003 (DP/FPA/2001/4/Part II). She said that the Fund was implementing the MYFF through a results-based management (RBM) approach. She reported that in order to gather data for this first report on the MYFF, the Fund had undertaken a situation analysis in 123 countries. The analysis had given broad validation to the MYFF results framework and confirmed that the Fund's country programmes were making an important and direct contribution to achieving the MYFF results and meeting ICPD goals. The Fund had established a database that recorded planned results at

the country level, how they were measured and how they were to be achieved and, crucially, captured the situation regarding the availability of data for measuring results. The Fund was setting up a system of results-based annual reporting from country offices and CSTs and making it accessible to all staff so that everyone could learn from it.

32. The Executive Director said that mainstreaming RBM was a key organizational priority. The Fund had previously adopted the logical framework as a programming and management tool, and the Fund would continue to work to strengthen skills in strategic programming and management as part of overall capacity-building. The development and start-up of the MYFF had stimulated the Fund to consider its role in bringing about the goals of the ICPD. The MYFF was a work in progress, and it needed to be continually developed and refined. She said that the first report to the Board on the MYFF had tried to be completely honest — to report not where the Fund would like to be or be seen to be but what the situation actually was. Compiling the report to the Board had made the Fund look at its constraints and weaknesses as well as its strengths and achievements, especially in the field.

33. The Executive Director said that the beginning of new country programme cycles in 2002 was an excellent place to begin to mainstream the RBM approach into the Fund's work at the field level, especially since there would be 39 new programmes starting that year. The four areas for priority attention were: building capacity and national ownership; strengthening programme management skills and processes; improving data availability; and building a results-based culture within the organization. She said that the report before the Board was quite frank about the challenges UNFPA faced in carrying out such efforts. None of the challenges could be met overnight.

34. The Executive Director said that everyone at UNFPA needed to be individually accountable for results and that she would lead the senior management team in ensuring that they were ultimately accountable at the organizational level. The goals could not be achieved alone, and the Fund would continue to work with many partners, both within and outside the United Nations system. Nor could the goals be achieved without adequate resources. Building a predictable and growing funding base was critical to achieving sustainable results, and core funds continued to be the bedrock of the Fund's programme. She counted on the help of the Executive Board in obtaining the necessary financial resources.

35. Delegations welcomed the Fund's commitment to a results-based approach and to the MYFF. They expressed their appreciation for the progress report that had been presented to the Board and said that it was a good start in reshaping the Fund. Several delegations also mentioned the Executive Director's commitment to instil accountability and results-based management into the organization. Delegations agreed that staff accountability was essential and said that they were pleased with the Executive Director's statement that she had to be the most accountable of all.

36. Delegations said that they had found the report on the MYFF to be clear and "user-friendly", but one delegation mentioned that it needed to be shortened in the future. Perhaps some of the data could be aggregated and presented in tabular fashion. Delegations said that serious restraints in the implementation of the MYFF should be highlighted and solutions to them should be enumerated. One delegation said that progress documented in the MYFF report was encouraging given that the MYFF had been only operational for a year. Many delegations agreed that the

MYFF was a work in progress and said that they were pleased with what had been accomplished to date. The MYFF needed to be continuously refined and improved and adapted to reflect the actual results that were achieved or not, and the Fund needed to look at the effects of results to adjust its policies.

37. Delegations said that they realized that the document before them was an interim report after less than a year of experience, but they asked that in the future it should have greater focus on results and outcomes. Members of the Executive Board looked forward to a results-oriented annual report in the future. Reporting on the MYFF needed to show clearly what worked and what did not and why. In that regard, one delegation said that the report before them did not give any indication of future strategy to meet the problems enumerated. Another delegation said that it would like the Fund to signal those results that occasioned surprise.

38. As for the goals of the MYFF itself, delegations said that the MYFF that had been approved in decision 2000/9 was a good reflection of the ICPD goals and that it focused on the comparative advantages of UNFPA. The MYFF reiterated the close partnerships that UNFPA had with other United Nations agencies such as UNDP and UNICEF. One delegation said that since all three agencies had elaborated their MYFFs at more or less the same time, they should help to create a more holistic approach towards United Nations development assistance. One delegation said that dealing with the consequences of unsafe abortion should be a clear priority in the Fund's MYFF and that the Fund should continue to work with WHO on safe motherhood initiatives. Another delegation said that close collaboration between headquarters and the field was essential and that the biggest challenge was strengthening partnerships with the UNDG organizations, Governments, the World Bank. One delegation said that the strategic considerations for future implementation of the MYFF during the coming year, as detailed in section VII of the report, were very relevant and asked UNFPA to update the board if it foresaw any changes in those priorities.

39. Delegations commented that the outputs in the area of population and development strategies were not as tangible as those in the area of reproductive health. One delegation said that it was clear that population and development was one of the most important issues in social and economic development and that it had to be looked at with a medium- and long-term view. That was one reason that the MYFF was so important.

40. Delegations agreed that there was still a great need for data in order to measure the achievement of the MYFF goals. The need for accurate data was reiterated by numerous delegations during the discussion. The reliability of data to establish baselines was always a concern. Without a baseline, it was impossible to do analytical work. Several delegations asked UNFPA to detail in what ways it was working with other United Nations agencies to come up with a common strategy on data collection and analysis. Strengthening data collection and analysis needed to be part of every UNFPA country programme. There was a need for evidence-based monitoring and evaluation tools and more empirical evaluation of results. Achieving common periodicity of data collection was also a challenge.

41. Delegations were pleased that RBM was being instilled in the Fund, but they said it had to take root and grow and to address all aspects of the Fund's work. The results-based culture inside the staff needed to be strengthened. One delegation asked what kind of training was being carried out to instil RBM concepts and tools

among the staff at UNFPA. One delegation said that RBM could not become the province of a few insiders but had to be a culture instilled throughout the organization. One delegation called on the Fund to invest more in country office capacity-building, particularly in terms of using the logical framework.

42. Numerous delegations said that it was necessary to realize the funding targets projected in the MYFF if its goals were to be realized. Without sufficient income, the MYFF would not work. One delegation said that although there had been a gap in resources compared to what had been projected in the MYFF adopted in decision 2000/9, it would be counterproductive for the Fund to make its financial plans on the basis of projections that would clearly not be reached. Another delegation pointed out to the Board that regular income was lower than expected even though the Fund had made serious efforts to manage for results. In that regard, one delegation said that members of the Board had responsibilities in securing financial resources for the Fund and called on Board members to carry out their responsibilities. It was also stated that there was a need for multi-year pledging in order to give the Fund predictable resources on which to base its programming.

43. One delegation said that it had listened very closely to the points raised in the discussion and said that the major issues that delegations had raised were relevant to all development organizations: the problems of getting accurate and up-to-date data to measure results; the problems of instilling results-based culture within organizations; the need to update and refine the MYFF in light of experience; and the need to tie the framework more closely to resource mobilization. No one had the recipe for success; each organization could learn from the others and they all needed to share their experiences. But the delegation was confident that the work that was being done now would bear fruit in the future. Everyone had to remember that results-based management was not a goal in itself but a tool to use in achieving goals. In that regard, perfection could be the enemy of the good — spending time and resources in elaborating perfect logical frameworks while the work itself languished. Another delegation agreed that the MYFF should not become too much of a bureaucratic hurdle to be overcome and weigh too heavily on programme implementation. It should be seen and used as a tool. The need for investment in human resources also had to be based on a reasonable cost-benefit analysis.

44. The Executive Director responded to the views expressed by delegations by saying that, as mentioned, the report was rather lengthy, but the Fund had wanted to present the experiences of the beginning of the MYFF implementation with as much detail as possible and wanted to have a transparent dialogue with the Board. She agreed with the members of the Board on the points they had made during the discussion, such as: (a) the need to tie resources more closely with the MYFF; (b) the need for partnerships if the goals of the MYFF were to be achieved; and (c) the necessity of having accurate data to measure results. She said that the Fund would try to simplify its reporting on the MYFF and not present overlapping reports and would hopefully be in a position to produce a more analytical report that focused on results next year.

45. The Director of the Strategic Planning and Coordination Division echoed the remarks of delegations that had said that the MYFF was a work in progress and that everyone was learning how to implement it. The Fund was moving forward in a pragmatic way, and he agreed that perfection should not become the enemy of the good. He also agreed that the MYFF needed to be used both as an evaluation and a

management tool, and that perhaps the latter had not been sufficiently stressed. He reviewed some of the common issues brought up during the discussion. He noted that all the delegations had emphasized data issues, and he said that the international community had to supporting data gathering and analysis if RBM was to be a success. He agreed that development of baseline data was a good investment and said that one would see more emphasis on this in the country programmes starting in 2002. Data collection and analysis activities had to be set up in a way that they became routine and produced comparable data over time. The Fund would continue to work with the UNDG on this issue because it was one that was faced by all of the development agencies.

46. The Director said that accountability of the staff was an issue that had been mentioned frequently in the report to the Board and was one that would continue to be looked at — how to help the staff buy in to the RBM approach. The Fund would work to build internal staff capacity but the greatest challenge was in helping programme countries that needed training and institutionalization of RBM. Much remained to be done in that regard. The Director said that matching results to be attained with the resources that were available challenged every organization, i.e., resolving the question of how to translate inputs into desired outputs.

47. The Director said that the resource goal upon which the MYFF was based had been the best determination that the Fund had been able to develop when the MYFF was elaborated. If the totality of the MYFF was to be realized, then the funding goals of Scenario One described in document DP/FPA/2000/6 had to be met. In the case of resource shortfalls, there needed to be an understanding of how to adjust the pace of programming to take account of any shortfalls. He said that the discussion had given the Fund a lot comments to reflect on in order to strengthen future implementation of RBM. The Fund would not leave out advocacy and would work to strengthen its focus on population and development strategies.

48. The Chief of the Results-Based Management Branch agreed with those delegations that said that all development agencies, both multilateral and bilateral, were concerned in the process of building RBM into their programmes and had to help each other. She also agreed with those that had said that accountability had to extend throughout the organization; as the delegations had heard, that had the full support of senior management. Every staff member's work performance plan had to reflect the results expected, and all staff needed to understand how those results contributed to achieving the overall goals that the organization was aiming for. It was also necessary to build staff skills in RBM, including in the use of such tools as the logical framework. She agreed that the obstacles to performance management, especially data, needed to be taken into account when programmes were designed. All programmes needed to work to strengthen sustainable national data capacity. UNFPA would work to build national ownership and to increase stakeholder participation and to build partnerships with other agencies.

49. The Deputy Executive Director (Programme) said that the Fund was working to mainstream RBM into country programmes, mid-term reviews, and all other aspects of the monitoring and evaluation process. He reported that UNFPA was looking at the format of the annual reports from the country offices to see how RBM could be better reflected in them. All of the staff realized that it was their professional challenge to demonstrate results. He agreed that it was necessary to strengthen data collection and analysis and to work to find appropriate intermediate indicators. He

reported that the Fund was working closely with other members of the UNDG on devising such indicators. Hopefully, next year's report would begin to show the results that were being achieved.

50. The representative of UNESCO reported that UNFPA and UNESCO had had a long and productive partnership working together. The representative said that the two agencies were experiencing ever-closer cooperation at the field level, especially as regards the follow-up to the World Education Forum, which had taken place in Dakar, Senegal, in April 2000.

51. The Board took note of the report of the Executive Director for 2000 (DP/FPA/2000/4 (Part I and Part I, Add.1, Part II, Part III and Part IV)).

52. At the end of the session, the Executive Director expressed appreciation to the Executive Board for the valuable assistance it had given to the Fund during the week. She said that the week's discussions had been about renewal and the transition process, organizational priorities, accountability, and results. She also added that a crucial element of the week's discussion had concerned resources and the need to achieve funding targets if the Fund was to achieve the results outlined in the MYFF. She said that she continued to be optimistic that UNFPA would receive the necessary resources.

III. Funding commitments to UNFPA

53. In presenting her report to the Board on funding commitments (DP/FPA/2001/5), the Executive Director said that she was both optimistic and realistic — optimistic because the Fund had realized a small increase of 3.3 per cent in its regular resources in 2000, but realistic because that was still a long way from matching its peak funding level. She was cautiously optimistic that the growth in regular resources would continue in 2001. She stated that it was the strength of UNFPA field operations that encouraged donors to support the Fund and said that she had made resource mobilization one of her top priorities as Executive Director. She called on the Board to help bring the Fund's regular resource level back up to $300 million level and beyond.

54. The Chief of the Resource Mobilization Branch said that he wanted to share with the Board some of the dynamics that were behind the figures presented in the document before it. He reported that the goals of the branch for 2000-2001 had been to stem the downward trend in the Fund's regular resources, to broaden the donor base to 100 countries, to broaden the base of contributions among the major donors and to continue to strengthen the monitoring and accountability of supplementary income. As reported by the Executive Director, regular resources had increased somewhat, and the Chief of the Resource Mobilization Branch thanked those donors who had been able to maintain or increase their contributions in 2000. He also reported that the target of 100 donors had been reached. That was a very significant goal because it led the contributing states to assume a partnership role in advancing the Fund's agenda. The goal of enhanced monitoring of supplementary resources was not a fund-raising goal per se, but, in fact, it helped to increase such contributions by instilling donors with the confidence that financial resources were being used wisely. He concluded by pointing members of the Board to table 13 in document DP/FPA/2001/5, which showed the highest level of contribution of each of the Fund's major donors — if each of them could once again reach that level the Fund's resource situation would be very bright.

55. Several delegations took advantage of the Board session to announce their countries' contributions to UNFPA for 2001 and, in some cases, future years. Delegations registered their approval that UNFPA had experienced a small but "pleasant" increase in regular contributions. One delegation said that the report of the Branch Chief had occasioned ambivalent feelings — optimism because of the increase in the number of donors but disappointment that the funding target of $270 million for regular resources had not been met. Delegations pointed out that there had been a declining trend over the previous three years and that funding was still short of the peak that it had attained in 1995. Some delegations brought up the issue of burden sharing, i.e., some donors were contributing disproportionate amounts. In that regard, one delegation noted that official development assistance as a percentage of national income continued to decline among the largest donor countries. Delegations also pointed out the importance of regular resources. They were pleased that UNFPA supplementary resources had registered a significant increase but maintained that regular resources still had to be the bedrock of the United Nations development agencies if the multilateral nature of their work was to continue. Delegates also noted that UNFPA was suffering because of the strength of the United States dollar in relation to many other currencies. In that regard, one delegation asked whether it would not be possible to maintain accounts in currencies

other than United States dollars: presumably many of the bills paid by the Fund were denominated in other currencies.

56. One delegation noted a remark of the Branch Chief that perhaps it was too late in the year to hold a pledging event, such as the present one, at the annual session in June. The delegation noted that UNICEF had held its 2001 pledging event in January. Should UNFPA and UNDP adopt the same schedule? As for multi-year pledges, one delegation said that it was good that 25 donors were able to make such pledges and hoped the number would increase in future years. Some delegations, however, stated that their countries would not be able to make multi-year commitments because of their national budgeting processes. One delegation pointed out that the Executive Board had adopted the multi-year funding framework (MYFF) for UNFPA and the Fund had committed itself to demonstrating tangible results through that framework; however, the corresponding commitment on the part of donors to come up with the required resources to reach the goals of the MYFF had not been forthcoming.

57. In his responses, the Branch Chief pointed out that the exchange rate issue was not a recent one — it had hampered the Fund over the preceding three years. He said that the idea of keeping accounts in currencies other than United States dollars had been looked at in the past, especially with regard to the possibility of maintaining accounts in euros. It remained a possibility, although it posed certain problems as well. He said that the MYFF and the funding commitments needed to be linked more closely. He agreed with those delegations that had said that January might be a better time for a pledging conference.

58. The Executive Director concluded by again expressing appreciation to the Fund's donors, including those such as the European Commission, the Netherlands and the United Kingdom that had provided large sums of supplementary resource funding for such initiatives as HIV/AIDS prevention and reproductive health commodity security.

59. The Executive Board took note of the report on the multi-year funding commitments to UNFPA (DP/FPA/2001/5).

IV. Information and communication strategy

60. The Director of the Information, Executive Board and Resource Mobilization Division introduced the report on the Fund's information and communication strategy (DP/FPA/2001/6). The report detailed the actions taken by UNFPA to implement the strategy adopted in Executive Board decision 97/13, four years previously. The Director stressed that the International Conference on Population and Development (ICPD) had positioned UNFPA to assume a leadership role in international advocacy on population and reproductive health issues. The ICPD and the ICPD+5 review had also brought to the forefront a number of issues, such as HIV/AIDS, adolescent reproductive health, violence against women and unsafe abortion, all of which constituted key issues in the Fund's advocacy efforts.

61. The Director reiterated the point made in document DP/FPA/2001/6 that advocacy aimed at programme countries was carried out at the national level through UNFPA country programmes while headquarters provided information materials, advice and training. The Executive Director's annual report for 2000 had covered national-level advocacy extensively, with some salient examples of successful initiatives. Therefore, he would limit his presentation to the Board on the Fund's global communication and advocacy efforts.

62. The Director reviewed the scope of those global communication efforts, including the Fund's flagship publication, the annual *State of World Population* report, and its other publications and advocacy brochures and the *Population Issues Briefing Kit*. He discussed the impact of the Internet on the Fund's communication efforts. He reported that The Hague Forum, which took place in 1999 as part of the ICPD+5 review, and the Day of Six Billion, also in 1999, had been events that had received worldwide media coverage. He acknowledged the valuable work that had been accomplished in countries around the world by the Fund's Goodwill Ambassadors. He said that the target audiences for advocacy initiatives were the general public, parliamentarians and Governments in both programme and donor countries.

63. The Director informed the Board that the strategy adopted in decision 97/13 had worked. Given the size of the Fund and the resources available to it, he felt that it had implemented the strategy well and had achieved some notable successes. He said that one result of those successes, however, was that UNFPA had become more visible and was facing attacks from a number of fronts, often by opponents who were misinformed or purposely distorted the work of the Fund for their own ends.

64. He concluded by saying that the challenges before the Fund included tying advocacy and communication more closely to resource mobilization, intensifying partnerships with NGOs and parliamentary groups to amplify the ICPD message, and increasing the visibility and image of UNFPA. He said that identifying the impact of the Fund's communication and advocacy efforts was difficult and expensive, but that that was also a priority. The Chief of the Media Services Branch stressed the importance of the revolution that had been created by the ever-increasing use of the Internet and the opportunities and challenges that presented to UNFPA. The Director then introduced a multi-media presentation, which presented some highlights of UNFPA communication efforts.

65. Numerous delegations welcomed the multi-media introduction of the report and commended the Fund for its excellent record in implementing its information and

communication strategy. Delegations said that the report showed that the Fund was implementing a large variety of activities in the area of information and communication and that its limited resources were being used well. One delegation acknowledged the critical importance of advocacy, both as a core programme area and as a strategy for achieving the goals of the multi-year funding framework. It was pleased that the strategy included achieving national-level results, such as the formulation of new policies and legislation. It strongly encouraged the Fund to develop intermediate targets that more accurately measured results achieved. Another delegation said that it was pleased that the global communications strategy was designed, and was being used, to complement national advocacy efforts.

66. One delegation took up the question of the Fund's role in responding to negative attacks. It said that rebutting media reports that distorted or falsified the work of UNFPA should not be seen as a distraction but should be viewed as an opportunity to be pro-active and to build larger constituencies for population and reproductive health programmes internationally. These provided good opportunities to engage influential audiences. Another delegation said that members of the Board should remember that attacks on the Fund were attacks on all members. Another delegation said that UNFPA should not be too shy and should sell its message in an even bolder way.

67. One delegation stressed that what was most important was not the visibility of UNFPA itself but the ability of the information and communication strategy to advance the population and development agenda. Promoting the Fund's "corporate image" should not get in the way of its advocacy efforts in developing countries. The same delegate complimented the Fund on the valuable work being carried out by its Goodwill Ambassadors.

68. Another delegation mentioned such initiatives as the *Population Issues Briefing Kit*, the *State of World Population* report, and World Population Day as worthwhile activities that the Fund was implementing professionally and that had great resonance throughout the world. One delegation requested that the printed version of the annual report, designed for the general public, be available at the annual session of the Board.

69. In responding to the comments, the Executive Director said that the Fund had been looking at its "marketing" strategy to see how best to position UNFPA in a changing environment so that it could successfully press for the implementation of the goals of the ICPD. These efforts had to be linked globally, regionally and nationally. Because UNFPA was visible internationally, it posed a convenient target for those who had political motives for attacking UNFPA. Varying opinions had been expressed on the issues considered at the ICPD and ICPD+5 review, but the kind of attacks that the Fund was experiencing could not be equated with such legitimate differences. She said that the Fund's global advocacy efforts were meant to be available in all parts of the world but were sometimes hindered by lack of access -- that was one reason the Fund was investing in ensuring connectivity with all of its field offices. As for Goodwill Ambassadors, the Executive Director said that they had indeed proven to be very successful and effective. There were no predetermined criteria for selecting Goodwill Ambassadors, who were chosen according to how well they represented UNFPA within their own national contexts.

70. In his responses, the Director of the Information, Executive Board and Resource Mobilization Division said that he appreciated the comments of delegations on not

being too shy and that the Fund would attempt to be bolder. He agreed with those delegations that had said that the Fund had to continue to work to build a stronger image. He appreciated the Board's support in those efforts. The Director said that the Fund was trying to commission public polling in certain countries in order to get a better view of how well advocacy efforts were working, but that was an expensive process and the Fund did not have millions of dollars to spend. He said that the basic attributes of an effective advocacy campaign were well known: (a) be sure of the facts; (b) keep the message simple; (c) make it short; and (d) repeat it over and over again. He said that a lot of things influenced people and mentioned the events surrounding the ICPD+5 as ones in which population questions had been brought to the attention of a large number of people. The Director said that the Fund would try to ensure that the printed annual report was ready for the annual session of the Board. The major problem was in obtaining final financial data for the previous year in time for typesetting and printing before the Board session.

71. The Executive Board adopted decision 2001/8 (see annex I).

UNDP/UNFPA segment

V. Programming process

72. The UNFPA Deputy Executive Director (Programme) introduced the joint UNDP and UNFPA report on progress and future options in the programming process (DP/2001/12 and DP/FPA/2001/7). He noted that the document represented a milestone in collaboration and cooperation among the four members of the Executive Committee of the United Nations Development Group (UNDG). He highlighted the process by which the four organizations had been able to agree upon options for a common programming process that were outlined in the document before the Board. The result showed that the UNDG agencies could come together in a short period of time, work together on a common proposal and agree on a common vision and approach.

73. The benefits of the new process as outlined by the Deputy Executive Director were that it provided for substantive, timely and joint oversight options by the respective Executive Boards; it took concrete steps to make the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF) integral parts of the programming process; and it reduced the burdens placed on Governments through cumbersome and uncoordinated programming processes. It built on the work done in harmonizing programme cycles by facilitating further harmonization of programmes among the UNDG member organizations.

74. He explained the difference between the two options presented in the joint document. Under proposed option 1, UNDP and UNFPA would submit documentation only once in the programme development and approval cycle while under option 2, the two agencies would present such documentation twice. For that reason, he told the Board that the two agencies had a strong preference for option 1.

75. The Deputy Executive Director stressed that under either option, the programming process had to be country-driven. The leadership role of Governments in directing the programme development process and shaping the content of the programmes was indisputable. Governments were in the driver seat, with the United Nations agencies providing support and assistance.

76. The remarks of the Deputy Executive Director were seconded by the Associate Administrator of UNDP. He said that he believed the proposals before the Executive Board constituted a major step forward in addressing the General Assembly's repeated concern about the multiplicity of United Nations systems and processes in providing development assistance at the country level. UNDP was increasingly preoccupied with the need to keep procedures to the minimum that quality and accountability required.

77. He said that under either of the options proposed in the paper, the programmes of all four agencies would be prepared simultaneously, which would allow the United Nations country team to engage country-level counterparts in a single programming process. He said that the proposed programming process would lead to improved quality in the programmes because each fund or programme would benefit from a more complete and holistic situation analysis than any one agency could achieve on its own. He reiterated that UNDP preferred option 1 of the two options presented.

78. Delegations commended the agencies for working together so effectively. It was a step forward in the United Nations reform process at the country level. It facilitated coordination, coherence and synergy among the programmes of the different funds and programmes concerned. One delegation said that it concurred that it was necessary to simplify the programming process and avoid overlapping and therefore it endorsed the principles stated in document DP/2001/12. Many other delegations concurred. One delegation said that it was pleased that the proposed process provided for Executive Board input earlier in the programming process. A number of delegations asked that Resident Representatives make every effort to involve country-based representatives of Executive Board members in the consultation process during programme formulation. One delegation said that while it favoured the proposed new process, it would require pragmatism in its implementation. Another delegation agreed that the process had to be flexible and should not be a straitjacket.

79. Numerous delegations commented on the relation of the CCA and UNDAF to the proposed programming process. Several delegations said that they were strongly committed to the CCA and UNDAF as the foundations of programmes. One delegation said that in its view the proposed process preserved the prerogatives of the Government, which would in fact be reinforced because the national strategies that were adopted would apply to all agencies. Many delegations felt, however, that the document before them did not adequately stress that the programmes had to be country-driven. One delegation said that the role of the Government was primordial and that was not clearly stated in the document. The programme development process had to be led by the Government: it was the Government that guided and led the process and laid out its national priorities, which were presented to the Resident Coordinator as the basis for a consensus, a consensus that had to be formed under the guidance and leadership of the Government. Thus, document DP/2001/12 had erred when it stated in paragraph 13, step 3, that strategy meetings would take place "under the auspices of their respective representatives and in close cooperation and collaboration with government counterparts". Moreover, the Government had to be an effective participant in the CCA and UNDAF processes. One delegation said that the steps enumerated in paragraph 13 of document DP/2001/12 needed to be modified to strengthen the oft-stated principle of ownership by the programme countries of the programming process. Another delegation said that it would be difficult to take note of a document in which there were several such paragraphs that were problematic.

80. There was general agreement that the quality of the programmes would depend upon the quality of the CCA and UNDAF and that specific national situations definitely had to be taken into account. The programme country needed to be satisfied with the results of the CCA and UNDAF processes and be confident that they accurately reflected national priorities. One delegation emphasized, however, that the elaborations of the CCA and UNDAFs did not necessarily represent a simplification of processes. In its country's experience, the elaboration of the UNDAF involved very complex procedures that represented extra burdens both for programme countries and the country offices of the United Nations agencies. It noted that many UNDAFs were weak and of widely varying quality, points that had been mentioned in the Administrator's results-oriented annual report. Another delegation said that it was clear that sometimes the development of the CCAs and UNDAFs had worked well but that that was not always the case.

81. Several delegations said that it was not clear how the proposed process would actually be implemented on the ground. One delegation was of the opinion that that it would lead to greater harmonization among programmes, which was highly desirable. Another delegation, however, questioned how much harmonization of programmes would actually be achieved in the field. Several delegations asked for clarification on how UNICEF and WFP would go about adopting a process that was the same as that of UNDP and UNFPA. One delegation said that, in its view, proposed country programmes should only be discussed by the Board if five members requested such a discussion.

82. In his responses, the Associate Administrator emphasized that members should not fear that Governments would be left out of the programming process — theirs was the central role and that would not change. He regretted that the document before the Executive Board had not made that point clearly. He noted that some delegations had expressed reservations about the way that the CCA and UNDAF processes had been carried out in some instances. He said that it was appropriate to bring such concerns to the attention of the administrations of UNDP and UNFPA and other United Nations agencies so that they could address those issues. He asked, however, that the Board look at how they could advance the present discussions in the interests of coming forth with a programming process that simplified current procedures and that harmonized the processes of the four agencies concerned. He felt that those were goals that everyone could agree upon.

83. The UNFPA Deputy Executive Director (Management) emphasized that the proposals before the Board needed the Board's input and that the views expressed during the discussion were very welcome and helpful. He said that the momentum that had been generated by the collaboration of the members of the UNDG Executive Committee working on the programming proposals needed the encouragement of the Board so that they would become a model for future inter-agency cooperation and collaboration.

84. The Executive Board adopted decision 2001/11 (see annex I).

VI. Internal audit and oversight

85. The Associate Administrator introduced the report of UNDP on internal oversight and audit activities in 2000 (DP/2001/13). He advised the Board that the Administrator intended to further strengthen the internal audit function by conducting an in-depth review of internal audit services. He explained that the document before the Board included comments on the involvement of the United Nations Office of Internal Oversight Services, provided in-depth explanations of problems identified by the auditors and addressed the question of the adequacy of national execution audit coverage. For the first time, the report for 2000 included a list of the types and numbers of audit ratings for all offices audited in 2000. The report provided an analysis of recurring problems. The report also included statistics on ongoing fraud investigation cases and their resolution.

86. The Associate Administrator addressed the question of audit coverage of nationally executed projects. UNDP had developed an action plan for improving the extent to which national execution expenditures would be covered by audit certificates. However, remaining difficulties included complying with reporting deadlines and the high costs of audits. UNDP was working with the Board of Auditors to address those issues. The Director of the Office of Audit and Performance Review provided supplementary information regarding the status of national execution audits.

87. The UNFPA Deputy Executive Director for Management introduced document DP/FPA/2001/8. She reported that compared with 1999, the coverage of UNFPA internal audits was much reduced in 2000. This was because in Africa and in the Latin American and Caribbean regions, new audit arrangements were being made. The Fund's audit section had been understaffed, but she reported that that situation should be rectified by the last quarter of 2001, effectively doubling the number of staff. She stated that the senior management of the Fund was seriously concerned that in the most recent audit report the number of country offices receiving a satisfactory rating had declined and that the number with a marginally deficient rating had risen significantly. She then detailed training initiatives that were being undertaken to strengthen the management capacity of the country offices. She mentioned that a comprehensive assessment of field office capacity and requirements was about to be undertaken.

88. The Deputy Executive Director of UNOPS reported that his organization utilized the services of the Office of Audit and Performance Review of UNDP for audit coverage. In 2000, a total of 34 audit assignments were carried out in the areas of finance, personnel, administration, programme and project implementation, and management. UNOPS had expressed its concurrence with the great majority of the recommendations made by the auditors and was addressing and following up on those recommendations. UNOPS had completed all recommendations with respect to procurement against the administrative budget.

89. Several delegations commented that improving internal audit controls was a very important issue. Delegations also said that they found it helpful that all three reports had the same format. However, delegations stressed that a dynamic review of what was being done to address problems as they arose would be very helpful and that information on follow-up activities to audit recommendations was very important. Descriptions of what has been done to implement previous

recommendations should be comprehensive and more detailed. One delegation stated that the audit function needed to be situated more strategically within all three of the organizations under review.

90. A number of delegations noted the large number of country offices of both UNDP and UNFPA that had been rated as deficient and asked for explanations of the reasons for that and what was being done to correct the situation. In the case of UNDP, a total of 39 country offices had received ratings of satisfactory, marginally deficient or deficient, while none had been rated as good. In the case of UNFPA, less than half of country office got a satisfactory rating, while nine had been rated marginally deficient, four as deficient and two as seriously deficient. Delegations said that this caused concern as to the level of compliance with procedures and policies by the country offices and that this seemed to be an ongoing problem. One delegation noted that UNFPA had instituted a comprehensive audit and recommendation database (CARDS) and hoped that would help that organization to improve its level of compliance.

91. Several delegations pointed out that the number of nationally executed projects for which audit reports had not been received was still quite large. In that regard, one delegation said that improvements could be made without contradicting national legislation. Delegations asked what plans had been made to deal with situations in which national audit capacity was insufficient. One delegation said that programme countries needed to be held to their agreements concerning auditing requirements and that there was an ongoing need for capacity-building in that regard.

92. In the case of UNDP, one delegation was concerned about the statement in the report that some Governments were reluctant to undertake UNDP audits in addition to those required by international financial institutions. The delegation wanted to know how the auditing processes of those institutions and the United Nations system could be harmonized. Further, the delegation noted that a number of investigation cases from 2000 were still being pursued and wanted to know how they were being addressed.

93. In regards to UNFPA, one delegation said that it was very worried to note that the daily functioning of the country offices did indeed suffer from a decline in resources. It asked for examples of how the Fund was finding the CCA and UNDAF processes slow and time-consuming, as had been stated in the report. It was also concerned about the statement in the report that UNFPA did not have a clear picture of its role in the development of sector-wide approaches (SWAps) in the health sector. One delegation felt that UNFPA was still at the crossroads in terms of strengthening its management in that the number of recommendations made by the internal audit had increased over the previous year. In particular, country offices seemed to have difficulties in applying the logical framework properly and wondered what was being done to address that situation. The delegation noted that the Fund was making some progress in closing out projects that had been completed.

94. Regarding UNOPS, one delegation said that the report had noted several shortcomings but had not been very clear as to their causes and what future actions would be taken to rectify them. It also stated that UNOPS had reacted to 173 out of 207 recommendations and wondered as to what was being done about the remaining recommendations.

95. The Director of the Office of Audit and Performance Review informed the Board that a procurement audit was part of every country office audit and was under way. Travel audits were being carried out in cooperation with the United Nations Office of Internal Oversight Services. The results of both the procurement and travel audits would be reported on the following year. Regarding the question of audit certifications, the Director reported that coverage for 1999 had reached 80 per cent while the coverage for 1998 was 69 per cent, for a combined percentage of 74 per cent over the two-year period. At the date of the Board of Audit's audit opinion, the percentage had been 51 per cent, on expenditures of $2.9 million; as of 31 January 2001 the percentage had reached 69 per cent. For 2000, country offices had submitted plans indicating that they would be auditing 87 per cent of expenditures. Of the expenditures planned for audit, $734 million had been completed and $376 million was outstanding.

96. Concerning the question of the capacity of national audit offices, the Director of the Office of Audit and Performance Review said that that the problem was often one of planning more than anything else. Because national audit offices were not informed in advance of what was expected of then, they were sometimes caught unawares when it came time to audit projects and programmes. The real need was to get them involved at an early stage when the programme was being designed so that they could be better prepared to fulfil their responsibilities. He said that in some cases UNDP, in consultation with national Governments, would consider the use of private sector firms if that were necessary.

97. On the question as to why none of the UNDP country offices had received a rating of good, the Director of the Office of Audit and Performance Review said that although that was unfortunate, the Board should not overreact to marginally deficient rating. His office could have chosen to use a rating of marginally satisfactory but chose the marginally deficient term in order to ensure that problems highlighted in the audit report received attention by senior managers. In many cases the offices were only marginally deficient in certain areas and the problems could be fairly easily rectified — the ratings were not indicative of major shortcomings. As for harmonizing the type and scope of audits with the international financial institutions, he stated that UNDP had no concerns concerning the scope of those audits — the major difficulty was one of timing. The timing requirements for audits of the international financial institutions and of the United Nations system were substantially different and that often placed a great burden on programme countries. In discussing the question of on ongoing investigative actions, he said that, while he could not comment on individual cases, the organization was committed to making it clear that serious misconduct had serious consequences.

98. The Deputy Executive Director (Management) of UNFPA reiterated that the Executive Director was committed to a culture of accountability within UNFPA. She expected that the Fund's audit office would be fully staffed by the end of the year. As mentioned in the discussion, the Fund had set up the CARDS system to follow up on the recommendations of previous audits, and he felt that this would increase the level of compliance with those recommendations.

99. The Chief of the UNFPA Office of Oversight and Evaluation said that comments made during the discussion would be helpful in improving the quality of the internal audit and oversight report presented to the Board in the future. In replying to questions concerning the audit coverage of nationally executed projects, the Fund

had worked with the United Nations Board of Auditors to devise a strategy for improving audit coverage that was accepted by the Fifth Committee. She said that there had been satisfactory progress in addressing the question of project closure and that the Fund had not relaxed its efforts in that regard. UNFPA was in the process of closing 1,362 projects whose financial records had shown no transactions in the past three years.

100. As for SWAps and health sector reform, the Chief of Oversight and Evaluation said that the Fund had presented a paper to the Board on that subject in 1999. Currently, headquarters was in the process of developing guidelines to provide more operational guidance to the country office staff on participation in SWAps. UNFPA was also working to provide more practical guidelines at the country level on mid-term and other internal reviews by issuing clearer formats for those reviews in order to achieve greater uniformity. Related to that, the Office of Oversight and Evaluation had just completed an analysis of the follow-up to mid-term reviews over the last five years. The logical framework was being used successfully as programming tool, but it also had utility as a management tool and staff needed to receive more training in this aspect to ensure that appropriate actions were taken. Staff were also being trained to use the country programme logical framework matrix as an integral part of monitoring actions. In the case of the CCA and UNDAF, there was no unwillingness or resistance on the part of UNFPA to participate in those exercises, but it had to be realized that UNFPA country offices were often small, sometimes with only 2-3 people. Participation in the CCA and UNDAF processes, which could be rather labour-intensive and time consuming, often created a strain for them. Some organizations had used consultants to get around those constraints, but the quality of results had been uneven.

101. The Deputy Executive Director of UNOPS commented on the question about the number of recommendations that had not been acted on. These were related to a large project in Africa, where there were indeed shortcomings in that there was lack of an audit trail. The situation was being rectified to ensure that it was not repeated.

102. The Executive Board took note of the reports on the internal audit and oversight activities of UNDP (DP/2001/13), UNOPS (DP/2001/15) and UNFPA (DP/FPA/2001/8).

VII. Reports on field visits to Honduras and Bosnia and Herzegovina

Honduras

103. The report on the field visit to Honduras (DP/2001/CRP.6), which took place from 19-27 March 2001, was presented by the representative of Canada, speaking on behalf of Brazil, Bulgaria, China, Ethiopia, Indonesia, Mauritania, the Russian Federation and Switzerland. She reported that the visit had been very dense in terms of the information gleaned and a rich experience for all concerned. She expressed the appreciation of the participants in the field visit to the entire United Nations team in Honduras who had made the visit such a success.

104. The representative reported that the visit had made it possible for participants to see how the United Nations reforms and Executive Board decisions were being carried out in the field. The entire United Nations team was working together with the Government in the development of the CCA and the UNDAF, which reflected the national poverty reduction strategy. UNDP had strengthened its policy role and was playing a greater role in providing "upstream" policy advice. She noted the role of UNDP in developing the Democracy Trust Fund, a consensus-building forum for dialogue that had been launched by the President of Honduras and 25 United Nations agencies and multilateral institutions. She also reported that UNDP had played a key role in coordination and mobilization of resources following the destruction caused by Hurricane Mitch. She said that the participants had, as a general reaction to UNDP activities, found that its work was consistent with its thematic areas of governance, where it was working very closely with the Government; decentralization, where it was working at the municipal level; and the environment, where it was helping to translate the lessons learned from Hurricane Mitch into actions to safeguard against future environmental devastation.

105. As for UNFPA, she reported that although the Fund had very limited resources in Honduras, it was collaborating closely with the Government in integrating population into sectoral activities. The field visit team had been impressed with the role of UNFPA in training nurses and auxiliary nurses. The Fund was collaborating with the Ministry of Education in putting sex education into school curricula and had used articles in youth-oriented magazines to introduce young people to reproductive health issues. Both UNFPA and UNDP were assisting the Government in preparations for a national population and housing census. Honduras was the Central American country most affected by the HIV/AIDS pandemic, which was becoming an increasingly pressing issue. Both agencies were involved in efforts to prevent the spread of HIV and to cope with the impact of HIV/AIDS on the country's development. She concluded by saying that the field visit participants returned from their trip quite satisfied with the work of both UNDP and UNFPA in Honduras.

106. Another participant in the field visit reiterated the views expressed by the representative of Canada, congratulating the secretariat for the organization of the field visit and expressing his confidence in the work being carried out by UNDP and UNFPA. He noted especially the devastation caused by Hurricane Mitch and the continuing environmental challenge of widespread deforestation. The programmes of both agencies needed to be continued even if they required adjustments along the way.

107. The representative of Honduras expressed the appreciation of her Government for the visit made by members of the Executive Board. The work of the two agencies had been crucial in meeting the humanitarian crisis caused by Hurricane Mitch. She noted that many people were still living in camps and that it had been a major national disaster, the repercussions of which would be felt for years. She noted the collaboration of the Government and the United Nations system in elaborating the UNDAF for Honduras and noted the importance of the current decentralization efforts, being supported by UNDP, that were of vital importance to the development of her country.

108. The Director of the UNFPA Latin America and Caribbean Division noted that Honduras was one of the few countries in the region that was classified as a "Category A" country under the Fund's resource allocation criteria. Mobilization of resources to support the work of UNFPA in Honduras and other Central American countries was very important. These were poor countries that were extremely susceptible to natural disasters and were now facing greatly increased risks from the HIV/AIDS pandemic. She strongly concurred with the comments on the effective coordination taking place among the activities of different parts of the United Nations system in Honduras.

109. The UNDP Assistant Administrator and Regional Director for Latin America and the Caribbean agreed that the United Nations system was functioning cohesively. In fact, Honduras had been one of the first countries to have a UN House. She said that she would convey to the Resident Coordinator the concerns of Board members, expressed in other discussions during the annual session, that the UNDAF process had to be nationally owned. Indeed, all progress that had been made in Honduras had been the result of partnerships with the Government. She addressed the question of natural disaster mitigation saying that one area on which the UNDP programme would concentrate was in better watershed management. Global warming was a fact of life and the region would, as a result, likely be more susceptible to hurricanes, floods and drought. The whole region could suffer setbacks in development.

Bosnia and Herzegovina

110. The representative of Honduras presented the report (DP/2001/CRP.7) on the field visit to Bosnia and Herzegovina, which had taken place 6-12 April 2001, speaking on behalf of the participants from Belarus, Ecuador, Ethiopia, Finland, Gabon, Germany, Greece, Philippines, Switzerland, Ukraine and Viet Nam. She began by thanking the local offices of UNDP, UNFPA and the United Nations Volunteers (UNVs), which had provided such valuable support for the visit. During the course of the visit, they had met with representatives of the Government, the international community and NGOs. She reported that the country was still facing special circumstances in that it was undergoing a transition from a State-run to a market economy and the power of the Government was quite limited, with two autonomous entities making up the State.

111. The field team had looked at the United Nations system's framework of cooperation with Bosnia and Herzegovina within the context of the country's national priorities, noting that UNFPA had no regular programme in the country. They had also examined the modalities of programme execution and had noted that it was necessary to make the transition to national execution as soon as possible. As

regards coordination among the members of the United Nations system, the representative noted that the situation was complicated by the large number of international organizations that were present in the country and that UNDP could increase its coordinating role. She reported that the work of both UNDP and UNFPA was dependent on their ability to mobilize non-core resources. The team had looked at the comparative advantages of the two organizations, noting that UNDP was working in the area of democratic governance, in favour of post-war ethnic reconciliation and the establishment of the rule of law. The contribution of UNFPA was largely in the area of reproductive health and was constrained by a serious lack of resources. The conclusion was that the agencies had to have development, rather than humanitarian assistance, as their goal; that flexibility was required; that there was a need for sufficient resources; and that there had to be a global strategy to coordinate the work of different agencies.

112. The representative of Bosnia and Herzegovina thanked the members of the Executive Board for their visit and the valuable report. He said that as outlined by the report, the country faced a number of challenges, including moving from humanitarian to development assistance and from a state economy to a market economy. The work of UNDP and UNFPA were important to the Government of Bosnia and Herzegovina, and it looked forward to future cooperation with the two agencies.

113. The UNDP Deputy Assistant Administrator for Europe and the Commonwealth of Independent States said that the visit had been a very valuable one because it pointed up the important role of UNDP and the United Nations country team in moving from a post-conflict to a development situation. The representative of the UNFPA Division for Arab States and Europe said that given the Fund's limited in Bosnia and Herzegovina, it had to focus on its special niche, which was in improving the reproductive health status of women and young people, with emphasis on national capacity-building, and to try to get more non-core funding for necessary programmes.

114. The Executive Board took note of the reports on the field visits to Honduras (DP/2001/CRP.6) and to Bosnia and Herzegovina (DP/2001/CRP.7).

VIII. Reports of UNDP and UNFPA on contributions to the United Nations strategic plan for UNAIDS

UNDP

115. In introducing the report on the contribution of UNDP to the United Nations system strategic plan for HIV/AIDS for 2001-2005 (DP/2001/16) to the Executive Board, the Assistant Administrator and Director of the Bureau for Development Policy began by emphasizing the urgency of scaling up the responses to HIV/AIDS at all levels of UNDP in order to operationalize the commitments made during the Millennium Summit held in September 2000.

116. The Assistant Administrator stated that responding to the HIV/AIDS challenge was an organizational priority for UNDP and that UNDP saw its role in terms of addressing the governance challenge. With its sustainable human development mandate, and as a co-sponsor of UNAIDS, UNDP was uniquely positioned to help countries manage a comprehensive and coordinated response and to integrate HIV/AIDS strategies and interventions into the mainstream of development policy and planning, including such instruments as poverty reduction strategy papers.

117. The Assistant Administrator said that the proposed HIV/AIDS strategy built on the comparative strengths of UNDP as well as experience gained through country, regional and global programmes. UNDP focused on advocacy and policy dialogue for strong leadership at all levels and in favour of coalition-building and national policy dialogue. It also had roles to play in capacity and institutional development for planning, management, implementation and decentralization of multisectoral and gender-sensitive national HIV/AIDS programmes; integrating AIDS into mainstream development planning, poverty reduction strategies, and budget allocation processes; promoting human rights as a normative and ethical framework for the response to HIV/AIDS; and promoting information and multimedia technology for large-scale information and awareness-raising interventions.

118. The Assistant Administrator underlined the increased importance of the role of the Resident Coordinator in the context of the new challenges posed by the AIDS pandemic. In response, the total number of theme groups on HIV/AIDS in programme countries as of 2000 had reached 113. The Resident Coordinator ensured a cohesive and mutually reinforcing response to the HIV/AIDS crisis through these theme groups. Since a coordinated response was essential, UNDP would continue to support and enhance the Resident Coordinator system to play its full role at the country level.

119. The Assistant Administrator stated that partnership had been the key to the UNDP response, sometimes compensating for the severe limitation in its resources. For example, the involvement of more than 150 United Nations Volunteers (UNVs) since 1990 at community, national and regional levels had had a significant impact on the effectiveness of the efforts of UNDP. However, she stressed that for UNDP to play its full role in the UNAIDS family, in accordance with its corporate strategy, there was a critical need for increased resources to support the work of UNDP at the country level.

120. The Assistant Administrator highlighted that increasing the scale of its response was the greatest challenge for UNDP and that it was taking various approaches to produce concrete results, including: focusing on policy analysis and

advice; supporting capacity and institutional building; helping to create an enabling environment for effective prevention and care; assisting countries in planning and implementing national strategies for poverty reduction and development that addressed the longer-term socio-economic impact of HIV/AIDS; networking with a wide range of stakeholders; actively supporting South-South cooperation; and establishing the global SURF system and an HIV/AIDS knowledge network.

121. The Deputy Executive Director of UNAIDS welcomed the commitment that UNDP had shown by including HIV/AIDS in its six thematic priority areas, and as one of the co-sponsors of UNAIDS, actively taking leadership roles in the areas of its mandate. She commended the focus of UNDP on its comparative strengths and development of its corporate strategy. She expressed the appreciation of UNAIDS for the initiatives that UNDP had taken in country-level coordination as well as for its leadership in terms of supporting multisectoral approaches and mitigating the socio-economic impacts of HIV/AIDS.

122. Many delegations congratulated UNDP on establishing HIV/AIDS as one of its priorities and endorsed the five focused service lines that UNDP had spelled out in its corporate strategy paper. The active involvement of UNVs was also praised by delegations.

123. Several delegations encouraged UNDP to refine its strategy following the upcoming United Nations General Assembly Special Session (UNGASS) on AIDS, taking into account the commitments to be made in the special session. Delegations also emphasized the importance of the alignment of UNDP interventions at global, regional and country levels to produce concrete results and sustained impacts. There needed to be policy coherence at all three levels, and responses taken at each one should be well coordinated and mutually enhancing.

124. Some delegations underlined the importance of governance and socio-economic impacts and the need for results-based management, including impact assessment and accountability. One delegation asked how UNDP could play a larger role in elucidating the links between poverty and HIV/AIDS. Several delegations requested more information on the roles of Resident Coordinators and of the United Nations theme groups on HIV/AIDS. Delegations also stressed the need to clarify the advocacy role of each United Nations agency at the country level in order to ensure that messages from all agencies were consistent.

125. Some delegations expressed their concern about the human resource capacity of UNDP as well as the availability of funding to implement its corporate strategy. One delegation emphasized the importance of training of staff members in that HIV/AIDS involved sensitive issues that were sometimes difficult to discuss openly. The delegation called for UNDP to invest considerably in strengthening staff capacity.

126. In response to the question concerning staffing levels, the Assistant Administrator said that, currently, there were five staff members at headquarters and two out-posted staff members, as well as around 70 country focal points working in the area of HIV/AIDS. She acknowledged that these numbers were not enough, but she reported that UNDP had adopted such innovations as the programme-team approach and the knowledge network in order to increase the productivity of the limited human resource capacity available.

127. In explaining the role of UNDP at the UNGASS, the HIV/AIDS Team Leader explained that several initiatives had been taken. UNDP was a lead agency for the UNGASS official round table on the socio-economic impact of the AIDS pandemic and had published a report entitled "HIV/AIDS: Implication for Poverty Reduction". UNDP had been working closely with UNAIDS and the World Bank on mainstreaming HIV into the poverty reduction strategy papers in some countries. National human development reports had also proven to be an effective tool. At the same time, however, she acknowledged that further efforts needed to be made.

128. Concerning United Nations theme groups, the Team Leader explained that, out of 125 countries in which there were programmes, 113 countries had taken some action towards establishing a theme group but that there were still 12 countries where a United Nations theme group on HIV/AIDS did not yet exist. She informed the Board that in some countries, the Resident Coordinator was working almost full-time on HIV/AIDS, and increased coordination and integrated planning, such as inclusion of HIV/AIDS in the CCA, had been seen in many countries. There were five challenges that United Nations country teams had to address: supporting the new commitments from UNGASS to Governments, including increased responses to national strategic plans; supporting civil society organizations; clarifying the roles and responsibilities of each agency; strengthening teamwork; and enhancing accountability for results.

129. In summary, delegations commended the commitment of UNDP to include HIV/AIDS in its priority areas as well as its focused response in developing the corporate strategy. However, some delegations felt that the references to vulnerable groups and human rights in document DP/2001/16 were not acceptable. Since these were issues of concern to the entire United Nations system, these delegations said that they should be discussed in the context of the UNGASS. They, therefore, requested UNDP to revise the report on its contribution to the United Nations strategic plan for AIDS in light of the decisions taken at the UNGASS and to resubmit the report for the consideration of the Executive Board at its first regular session 2002.

UNFPA

130. In introducing the report on the UNFPA proposed contribution to the United Nations strategic plan for HIV/AIDS for 2001-2005 (DP/FPA/2001/9) to the Executive Board, the Director of the Technical Support Division said that the support provided by UNFPA in the fight against HIV/AIDS was guided by the principles of the International Conference on Population and Development (ICPD), which called for achieving universal access to reproductive health services by 2015, and by the ICPD+5 review, which emphasized the priority of HIV prevention. She said that UNFPA brought a number of comparative advantages to HIV-prevention activities, including the consideration of sociocultural contexts with a particular focus on gender issues, such as empowerment of women and male responsibility. The Fund also had the ability to incorporate HIV-prevention activities into integrated reproductive health programmes including behaviour change communication interventions. She said that the Fund worked with a broad range of partners and took the lead among United Nations agencies in several areas such as, for example, condom procurement, logistics and programming.

131. The HIV/AIDS Coordinator for UNFPA informed the Board that the Fund would focus support on three core areas: (a) HIV prevention among young people; (b) comprehensive programming for both male and female condoms; and (c) prevention of infection among pregnant women and transmission to their children. She said that preventing HIV among young people required interventions that took account of each country's cultural context, that were youth-friendly and that provided education, information and services aimed at promoting responsible and safer sexual behaviours. In the area of condom programming, as part of its reproductive health commodity security strategy, UNFPA would work to strengthen country capacities in logistics management, quality assurance and social marketing. Protection against HIV infection for all pregnant women would be integrated into all UNFPA-supported maternal and child health services.

132. In order to achieve its goals, UNFPA would continue to work with partners in all relevant sectors. She said that lessons learned by the Fund included that prevention worked, was cost-effective and was feasible; strong political commitment was necessary; the success of prevention, care and support efforts depended upon taking a multisectoral approach; prevention, care and support were inextricably linked and were most effective when programmed together; reproductive and sexual health programmes provided needed information and services but also served as entry points for social and behavioural change; programmes should build on existing structures rather than create new ones; and that all relevant stakeholders needed to be involved.

133. The Deputy Executive Director of UNAIDS reported that UNFPA had been the leader among the co-sponsors in such areas as programme review, development of institutional strategies, prevention campaigns among adolescents and condom programming.

134. During the discussion on the proposed contribution of UNFPA to the United Nations strategic plan for HIV/AIDS for 2001-2005, several delegations expressed support for the Fund's efforts in its core programme areas, and in particular its emphasis on prevention, especially among adolescents. Numerous delegations underscored the importance of advocacy in the work of UNFPA in this area and welcomed the Fund's efforts to increase male involvement in HIV/AIDS prevention. Delegations also emphasized the need to invest in country-level activities and to tailor those activities to the realities of individual countries. The Board endorsed the substantive focus that had been outlined and recognized the experience and comparative advantage of UNFPA in fulfilling its lead role in implementing the goals of the ICPD and the benchmarks of ICPD+5. Several members of the Board requested UNFPA to intensify its efforts and to take a more visible leadership role in the prevention of HIV infection, especially among young people.

135. Several delegations said that the three core focus areas corresponded well to the mandate, comparative advantages and technical capacities of UNFPA. The role of UNFPA in working with young people was particularly emphasized – the Fund's experience in that area and its knowledge of the sensitivity of such interventions would hold it in good stead. One delegation noted that it was important not to leave boys out. Another delegation said that the advocacy role of the Fund needed to be stressed. Another delegation endorsed the UNFPA strategy but said that all that was being done was still not enough in face of the devastating consequences of the pandemic.

136. One delegation noted the importance of involving people living with HIV/AIDS in programme development and implementation. One delegation asked what the Fund was doing in terms of microbicides. Another delegation said that the recent meeting of the Programme Coordinating Board of UNAIDS had called for greater cooperation at the field level and stated that such cooperation needed to be pursued globally. Another delegation challenged UNFPA to accelerate its actions and to hold field staff accountable for results.

137. In response, the Director of the Technical Support Division and the HIV/AIDS Coordinator said that the positive feedback given by members of the Executive Board would renew the Fund's energy in its efforts in HIV prevention. They fully agreed with members of the Board on the importance of partnerships. The involvement of target groups in the design and implementation of programmes had been a philosophy that UNFPA had followed in all of its activities. As far as accountability and the importance of results-based monitoring and indicators, the Executive Director had already indicated that this was considered a priority up to the highest levels of the Fund. They assured the Board that the Fund would continue to work with the education sector, both in and out of school, as a way of positively influencing the behaviours of young people. The Director strongly agreed that it was important to train UNFPA staff on HIV/AIDS to enable them to fully support efforts of national counterparts in addressing HIV prevention. It was not just a question of technical issues but of being comfortable with sensitive topics as well, and she said that she was looking forward to cooperating with others on that.

138. As for the effectiveness of theme groups, the Director said that some of them were working more effectively than others and that efforts needed to be made to strengthen them. She agreed with those delegations that had said that there was a need for increased resources. The Fund would accelerate and redouble its efforts to get the needed financial support. Finally, she said that the Fund had learned many useful lessons from national efforts and thanked the Members of the Board who had shared their experiences.

139. The UNFPA HIV/AIDS Coordinator reported that microbicides were being investigated by research partners of the Fund, such as The Population Council, but the products were still not a reality for programme implementation. These held out great potential for women who wanted to become pregnant but also wanted to protect themselves against HIV infection. In addressing the impact of HIV-prevention efforts, she said that, since the UNFPA response to HIV/AIDS was being undertaken in the context of reproductive health, it was indeed very difficult to get accurate data to determine levels of success, in, for example, measuring the change in the percentage of members of vulnerable groups who engaged in unprotected sex. On the need for capacity-building among the staff, she welcomed the opportunity to increase the understanding and sensitivity of UNFPA staff members on the issues surrounding the HIV/AIDS pandemic.

140. The Executive Board adopted decision 2001/9 (see annex I).

UNDP segment

IX. Annual report of the Administrator for 2000

141. The Administrator introduced his report for 2000 (DP/2001/14 and Add.1-3). He noted that UNDP had been working hard to ensure that the agenda set by the Executive Board would bear fruit, especially in relation to the follow-up activities to the Millennium Summit and the Third United Nations Conference on the Least Developed Countries (LDCs), the preparations for conferences on racism, financing for development, the World Summit for Social Development (WSSD) and the special session of the General Assembly on HIV/AIDS.

142. The Administrator stressed the need for immediate, decisive action to ensure that the majority of LDCs would meet the development targets set out in the Millennium Declaration. To that end, a more equitable structure of global governance was required and developing countries, in particular the poorest, should have a real voice and impact at international conferences. UNDP country offices were already deeply involved in supporting the preparation for financing for development projects and WSSD and in working to guarantee that developing countries seeking UNDP support would have their issues and priorities addressed.

143. The Administrator stressed that to attract resources and to gain the political commitment needed to win the fight against poverty, it was important to engage public opinion. UNDP had been working with the Department for Economic and Social Affairs of the United Nations Secretariat and the United Nations Development Group (UNDG) on follow-up activities to the Millennium Summit goals. The Administrator reported that, starting in 2001, he planned to undertake a global campaign targeted at governments, parliaments and civil society to create the political momentum needed to raise adequate resources and to give priority to public policy to ensure that globalization benefited everybody.

144. The Administrator then outlined some of the key achievements in 2000 and the challenges that lay ahead. Organizational reform, whose rewards often materialized slowly, was starting to show real results and impact at the country level. He paid tribute to the dedicated staff of UNDP, who had endured a decade of unprecedented turmoil. UNDP was doing more with fewer people. The Administrator believed that the greatest reward would be to see UNDP as the preferred partner for development. The Administrator's Business Plans, 2000-2003, were designed to allow UNDP to embark on that journey.

145. The Administrator reported that the major task of the first year of the Business Plans had been to realign the overarching vision, structures and measurement systems of UNDP. Emphasis had shifted in the second year from reform at headquarters to reform in the country offices, focusing on people and performance. The first two years had seen huge progress. Reprofiling support from headquarters had been provided to 80 country offices. The third year would be devoted to development performance, applying new strengths at the country level to achieve a comprehensive, coherent development impact and to help programme countries to take better advantage of the revamped services offered by UNDP.

146. The results-oriented annual report (ROAR) for 2000 provided evidence of tangible results in the six practice areas — democratic governance, poverty reduction, environment and energy, crisis prevention and reduction, information and

communication technology and HIV/AIDS — based on national priorities and demands for UNDP services. Gender-mainstreaming and South-South cooperation were also starting to bear fruit. On gender, UNDP would continue to strive to build on the effective partnership with the United Nations Development Fund for Women (UNIFEM) although the challenges remained tremendous.

147. The Administrator stressed that the path to a renewed UNDP, based on the Business Plans, was through a new operational model at the country level that emphasized policy and advisory services, support to the resident coordinator system and development support assistance. UNDP would thereby take the lead role in creating a set of integrated common development services in each programme country based on nationally owned programmes. The Administrator underlined that the new upstream focus of UNDP in no way signified an organizational retreat from project-specific work. The purpose was to align projects better with broader objectives that were more in harmony with the strategic priorities of developing countries. All programmes were designed to maximize the real assets of UNDP: innovative policy expertise, unique position of trust and catalytic effect on broader development strategies.

148. The Administrator noted that UNDP needed to continue improving efficiency by reallocating budget resources to strategic priority areas, such as business re-engineering, information technology, staff learning, entry-level posts, substantive policy support and staff needs relating to security and HIV/AIDS. The organization also needed to strengthen support further to the resident coordinator system, through collaborative efforts to ensure greater country ownership of mechanisms such as the common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) and to pursue ways of aligning them behind the Millennium Summit goals.

149. The Administrator reported that in December 2000 UNDP had launched the reprofiling exercise, with a clear set of commitments from headquarters and additional resources to be used by country offices for transformation initiatives at the country level. Staff from all countries, as a result, had been exposed to the principles and methodologies of reprofiling through a series of workshops backed by some 80 missions, which had assisted country offices in drawing up their transformation plans. By the end of 2001, at least 80 per cent of country offices would have prepared and implemented plans of activities that would align human and financial resources around strategic areas determined by the country.

150. Regarding the important issue of learning, the Administrator reported that existing staff, particularly national professionals, would enhance their managerial and substantive skills through the new Virtual Development Academy, for which the first 100 fellows had been selected. In 2000, a total of 110 country offices were involved in learning new skills for gender mainstreaming.

151. On staff security, the Administrator assured the Executive Board that UNDP strongly supported the proposal of the Secretary-General to the General Assembly and would do everything in its power in addition to implementing common safety and security measures to ensure the protection of all staff.

152. The Administrator reminded the Executive Board that to help developing countries to achieve their strategic development goals meant that UNDP had to go beyond producing the ROAR. Developing country partners had to be engaged in

dialogue on how the new UNDP could best support nationally owned strategies. Resident representatives were already engaged in such dialogue with the support of the Executive Team. He committed himself to reorienting the focus of management — from internal processes to country strategies, highlighting and consolidating UNDP niche strengths and comparative advantages. The Administrator stressed the expansion of partnerships with centres of knowledge and learning in developing countries, allowing for the steady expansion of South-South cooperation.

153. Regarding national ownership and effective delivery of services, the Administrator emphasized the central goal of enhancing the national ownership of all development activities. He emphasized that national execution would continue to be the preferred operating modality and would be strengthened by freeing UNDP to provide more flexible service support. He looked forward to the discussion on follow-up activities to non-core and direct execution evaluations at the second regular session of the Executive Board in September 2001.

154. The Administrator reported that the total net income of UNDP for 2000 was $634 million, some $47 million below the income figure for 1999 — owing in part to the strength of the dollar. He reported a projected increase of 2 per cent for 2001 over figures for 2000, representing the first real increase in contributions to UNDP in over eight years, and noted that as many as 14 donors from the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) had indicated that they would increase their contributions to regular (core) resources. He reported that some 42 programme countries had pledged contributions to the regular resource base of UNDP despite their considerable constraints. Notwithstanding these positive trends, the Administrator noted with regret that, in 2000, total Official Development Assistance (ODA) had shrunk to its lowest level as a proportion of OECD gross national product, less than a third of the accepted 0.7 per cent. He further noted with concern that the donors' tendency to focus on particular themes and countries had left many LDCs with donors that did not consider them designated priority development partners. In the 1990s, ODA to LDCs had dropped 45 per cent in per capita terms. That reinforced the need to double efforts to increase regular resources, which were largely allocated to the very poorest — particularly in Africa.

155. In conclusion, the Administrator reminded the Executive Board of the need to remain focused on the challenge of setting a new agenda for development in the twenty-first century, as emphasized in the Millennium Declaration. He hoped that the upcoming financing for development conference and WSSD+5 would provide the necessary platform from which to articulate an appropriate plan of action. He expressed hope that when the Business Plans had been fully implemented, a revamped, refocused, fully resourced UNDP would be at the centre of global and national efforts to achieve them.

General comments on the annual report of the Administrator for 2000

156. Delegations welcomed the annual report of the Administrator for 2000. They commended the excellent introduction by the Administrator and the candid, clear and balanced presentation summarizing the results achieved and what remained to be done in the six practice areas and the Business Plans; delegations also commended the staff for its excellent performance. Some delegations encouraged the Administrator to continue with

the reform programme so as to improve the efficiency and effectiveness of UNDP. Consultations with national Governments should be undertaken by UNDP, as appropriate, in reprofiling country offices. The quality of performance, particularly at the country level, would determine the level of contributions to UNDP resources. Several delegations also encouraged the Administrator to establish synergies between upstream and downstream approaches to development, paying particular attention to diverse needs and circumstances in programme countries.

157. Several delegations welcomed the involvement of UNDP in HIV/AIDS, stressing the development issues posed by the epidemic. UNDP was one of the very few organizations that understood the development dimension of the epidemic. Some delegations encouraged UNDP to continue its work in information technology for development and to coordinate its activities with other partners, including the business sector, non-State actors and international financial institutions, and to focus on areas in which UNDP had a comparative advantage. Some delegations urged UNDP, in light of its comparative advantage, to strengthen its coordination role, engage national authorities, the United Nations system and other sources of development funds. A number of delegations emphasized that the programming process, however, must be country-led and -driven and stressed that the complementary relationship between national and direct execution could work to strengthen national capacities. The issue of capacity-building was underscored as a vital component in poverty-reduction efforts, sustainable development and effective participation in the global economy. One delegation added that existing training institutions should be fully utilized.

158. Several delegations took note of the efforts to mainstream gender issues in UNDP programmes at headquarters and in programme countries. The Administrator was urged to do more in concert with UNIFEM despite formidable obstacles in some programme countries.

159. Many delegations expressed concern at the security and safety of United Nations personnel in the field. As the operational arm of the United Nations and administrator of the resident coordinator system, UNDP had special responsibilities in that regard. Delegations emphasized, however, that primary responsibility for United Nations staff rested with host Governments and local communities. The provision of United Nations security should be based on accountability, solid coordination in the field, standardized training and basic operational guidelines.

160. Many delegations welcomed the improvement in the regular resources of UNDP although the level remained inadequate. Following the example of the Administrator, several delegations appealed to the donor community to summon political will and to contribute generously so that the organization could attend adequately to the overarching Millennium Declaration goal of halving absolute poverty by 2015. Some delegations recommitted themselves to maintaining or raising their contributions to the core budget of UNDP. Other delegations called for a balance between core and non-core resources and advised that thematic funding and spending arrangements should be handled carefully so as not to compromise the priorities and needs of programme countries. A request was also made for UNDP to assist in mobilizing support in preparation for the financing for development conference in 2002.

The response of the Administrator

161. The Administrator thanked the Executive Board for its incisive comments and was pleased that there was a balance among speakers from the donor and

programme countries. He regretted that the report had not been distributed in all languages, largely as a result of the volume of documents and the overwhelming burden on the United Nations documents-processing services. He promised to look into the matter so as to avoid similar situations in the future.

162. He noted the concern and support expressed on gender issues, which UNDP shared. He stated that an improvement over 1999 was reported in 2000. He observed that success in gender-mainstreaming was difficult to measure because it was cross-cutting and integral to overall development. The Administrator assured the Executive Board that UNDP would continue to work on the gender issue in concert with UNIFEM, whose Executive Director had been designated the internal champion on gender issues in UNDP.

163. On the costs and budgets of UNDP, the Administrator reported that the restructuring exercise had had upfront costs, which were funded in two ways: through extrabudgetary support to restructuring initiatives and through savings. He observed that the total administrative cost of UNDP as a proportion of overall income was among the best; the costs were generally lower than those of other United Nations organizations.

164. The Administrator clarified the upstream and downstream relationship by observing that what was needed was the right strategic marriage of both, where projects had had a demonstrated catalytic effect and drive toward national change. He noted that projects that did not meet the standards of policy/project synergy would be discontinued in agreement with national authorities.

165. He also explained that the purpose of the campaign around the Millennium Summit goals was to build support for meeting the goal of cutting absolute poverty in half by 2015. The results of the pilot cases would help to mobilize public opinion in the North by showing what was happening on the ground in programme countries in order to raise needed resources.

166. On the issue of HIV/AIDS, the Administrator observed that UNDP had a role to play in developing national AIDS policies and in disseminating information to build awareness and change behaviour, thereby helping to contain the spread of the epidemic. He further observed that UNDP and the entire United Nations system, including the joint United Nations Programme on HIV/AIDS (UNAIDS), had a critical level of capacity that was vital in building national capacity, coordination and advocacy at national and international levels. He stressed that UNDP would not engage in areas where others had comparative advantages.

167. The Administrator stressed that there was a clear niche for UNDP in information and communication technology (ICT) for development. The organization was moving out of demonstrative projects into policy-based approaches, using advisory services to help countries to think through their ICT strategies.

168. On the issue of bureaucratic streamlining, the Administrator noted that speed was crucial in delivering services to programme countries. He also observed that UNDP would remain flexible and respond to country needs and priorities. Regarding the reduction of staff in country offices, the Administrator stated that the reprofiling of country offices had been designed to create teams that would deliver the services of the new UNDP. The reduction in staff was also the result of no-growth budgets. He reminded the Executive Board that a much greater reduction had occurred at headquarters than in the country offices, without generating much savings because most posts affected were extrabudgetary.

In concluding, the Administrator once again thanked the Board for a very constructive debate on his report.

Overview of the results-oriented annual report

169. The Associate Administrator introduced the results-oriented annual report (ROAR) for 2000 (DP/2001/14/Add.1). He stated that the production of the report represented another milestone in results-based management, noting that UNDP had achieved results beyond expectations, thanks to the encouragement, support and active participation of Executive Board members. He reminded the Board that the first ROAR had focused on capturing results. The ROAR 2000 focused on drawing lessons on managing the organization. In preparing the report, UNDP had also embraced results-based management as part of its agreement with the Board.

170. The Director of the Operations Support Group (OSG) reported that the preparation of the ROAR had drawn inspiration from the Millennium Declaration to ensure that globalization became a positive force for all the people of the world and to create an environment at the national and global levels conducive to development and the eradication of poverty. The presentation focused on the nature of support, performance and methodology.

171. The ROAR revealed an interface between the upstream and downstream activities within the six goals, which in turn were subdivided into sub-goals, outcomes and outputs. More than 75 per cent of UNDP activities related to capacity-building, policy and strategy-setting. The distribution of outcomes was similar to that of 1999. Progress in 2000 reported at the outcome level ranged from 53 to 77 per cent. The achievement of annual output targets ranged between 57 and 92 per cent. The main priorities (governance, poverty and environment) were consistent with core and non-core resources. The lower level of core resources constrained coverage and performance.

172. National human development reports (NHDRs) had moved from advocacy and analysis to action. Activities in support of human rights had doubled at the request of Governments and broad-based actions in poverty reduction amounted to 90 per cent of all cases. The number of countries receiving support through HIV/AIDS programmes had doubled. Capacities had also been developed for the sustainable management of the environment.

173. Considerable progress had been achieved in the area of gender mainstreaming. Efforts had also been made to close the gap between humanitarian and development activities in crisis and post-conflict situations.

174. The Director reported that some challenges remained. They included reform of the public sector to make it more efficient; reduction of the negative impact of globalization; re-evaluation of work on the asset base of the poor; weaving environmental issues into poverty and governance programmes; more concerted action on gender mainstreaming; and a reduction in transaction costs.

175. With regard to methodology, achievements came in the areas of data verification, the introduction of baselines and structural refinements while the challenges included the utilization of situational indicators, assessment of cross-cutting issues and partnerships. There was, however, a need to simplify further without compromising rigour, refine methodology and revise the database.

General comments on the ROAR 2000

176. Delegations considered the ROAR 2000 an improvement over that of the previous year and commended UNDP on its performance. The document represented a significant step forward in terms of methodology — especially with regard to the distinction made between performance at outcome and output levels; the classification of progress and data corroboration; the structured and systematic approach to obtaining results; the wealth of information on various aspects of focus and performance; and the candour with which performance had been assessed. Some delegations felt that those attributes set a good example for other United Nations organizations. The integration of the associated funds and programmes in the annual report, especially UNV, was also appreciated and UNDP was encouraged to stress reporting on the associated funds to enhance synergies, roles and attribution. Overall, delegations stated that the ROAR provided ample proof that UNDP was making a difference in people's lives. Some delegations also requested an informal session to discuss the methodology used to prepare the ROAR, which was organized on 21 June.

177. Delegations suggested that the executive summary of the ROAR should be part of the report and recommended that future reports should be simplified and made more accessible to a broader audience. There was consensus to merge the annual report of the Administrator and the ROAR to avoid duplication and to reduce the volume of the text. It was felt that, together with the annual report of the Administrator on evaluation, the proposed package of analytical documents would provide a good basis for considering issues of development effectiveness. Other suggestions included making a sharper distinction between progress at the outcome and output levels; placing greater emphasis on the analysis of outcomes; focusing on the assessment of poorly performing areas; identifying future-oriented actions; outlining follow-up actions to the issues raised on previous reports; and exploring the possibility of external or independent involvement in the preparation of the ROAR. Support was also voiced for the continued use of situational indicators.

178. Delegations appreciated the emphasis placed on the Millennium Development Goals, international development targets and the global advocacy campaign proposed by the Administrator. Some delegations underscored the role of UNDP in addressing globalization challenges, especially through capacity development. Delegations stressed the importance of the continuing UNDP support to technical cooperation among developing countries. UNDP was asked to clarify its involvement in the financing for development conferences.

179. While some delegations welcomed the emerging focus on human rights, one delegation expressed some concern over the rights-based approach to programming. The delegation recommended that UNDP remain focused on a country-driven approach to poverty reduction.

180. Delegations expressed appreciation for the leading role and support of UNDP in helping countries to prepare Poverty Reduction Strategy Papers (PRSP) and the Poverty Strategies Initiative. Some delegations noted that the ROAR had not provided sufficient evidence on cross-cutting approaches to poverty reduction. Some delegations stressed the linkage between governance and poverty reduction and called for the continued leadership of UNDP. Other delegations requested UNDP to clarify its comparative advantage in dealing with the HIV/AIDS epidemic since UNDP was one of the few organizations that understood the development dimension of the problem.

181. Delegations welcomed the engagement of UNDP in the environment and energy sector; in linking poverty reduction with environmental management; in preparing a revised policy on the environment; and in launching the Poverty-Environment Initiative.

182. UNDP was encouraged to continue its work on gender-mainstreaming, equality and empowerment as a strategic priority for the organization, in concert with UNIFEM.

183. A number of delegations expressed satisfaction with the performance of UNDP in crisis and post-conflict situations — for example, in capacity-development for human security and peace-building. They requested more reporting on those areas in future reports. Delegations supported forging closer links within the United Nations system and with subregional and regional organizations. UNDP was asked to focus more on crisis and post-conflict situations in the next ROAR.

184. On the subject of United Nations reform, delegations noted and expressed some concern about the qualified nature of progress achieved and emphasized the central role of UNDP in coordinating United Nations system field operations, not only to spur teamwork on the CCA and the UNDAF but also to reduce transaction costs. Some delegations proposed that goal six of the strategic results framework on support to the United Nations system be included in the next ROAR.

185. Concerning the reform of UNDP, several delegations felt that the ROAR confirmed the significance and relevance of the move upstream by the organisation. At the same time, a number of delegations observed that UNDP needed to balance its upstream and downstream work with better linkages forged between the two levels of action. It was noted, however, that progress was being thwarted by the precarious state of core resources.

186. Delegations supported the ongoing reforms in UNDP and the results already achieved, such as the internalization of results-based management (RBM) at headquarters and at the country level. There was a request for specific examples illustrating how the strategic results frameworks and ROAR had helped to build on the strengths of UNDP and improve the organization's programming and management, by sharpening focus, reducing the number of projects and encouraging a withdrawal from marginal areas of engagement.

Response to general comments on the ROAR

187. The Administrator welcomed the constructive comments, suggestions and observations from members of the Executive Board. He noted, in particular, that the greatest value of the ROAR lay in its ability to test market demand for services provided or developed by UNDP.

188. The Associate Administrator responded to the comments under four broad categories: the presentation and format of the ROAR itself; implementation of UNDP reforms; special issues of interest; and the financial situation of the organization. He concurred with the suggestion to consider merging the ROAR with the annual report of the Administrator, reducing the focus on process issues and preparing a simplified and more user-friendly document. He also noted the concern about internalizing the results of the ROAR in the management of the organization. He pointed out that credit for achieving results should be given to programme countries to which assistance was provided by UNDP.

189. Regarding the implementation of UNDP reforms, he identified the main points of the debate: (a) a reaffirmation of the role of UNDP as an anti-poverty organization; (b) an emphasis on the importance of capacity-development; (c) the encouragement of stronger linkages between upstream and downstream actions; and (d) continued support for the integration of RBM in programming and management. The Associate Administrator stressed that UNDP would continue to operate according to the principles of RBM with a view to changing fundamentally the working culture of the organization.

190. Under the special issues category, the Associate Administrator mentioned a wide range of topics, including the monitoring of management development groups; assessing how globalization could be of benefit to the poor; participating in PRSPs by advocating a serious effort by the donor community to tackle poverty reduction; fostering participatory processes; clarifying the effects of macroeconomic policy on the poor and testifying (through monitoring) that poverty-reduction strategies were actually addressing the problem; and reinforcing the contribution of UNDP in the areas of environment and energy, HIV/AIDS and the preparation of NHDRs. He reassured the Executive Board that gender issues were being taken very seriously by the organization.

191. On the subject of substantive discussions in the Executive Board, the Assistant Administrator and Director of the Bureau for Resources and Strategic Partnerships (BRSP) informed members that a conference room paper would be presented at the second regular session of the Executive Board in September 2001 on streamlining documentation. He also reported that UNDP was paying great attention to the financing for development conference and was doing everything possible at the local and regional levels to assist in its preparation. Informal meetings had been held on the matter with permanent representatives in New York. The issue of global public goods was being supported by UNDP.

192. The Director of the Operations Support Group stated that situational indicators in the ROAR posed a difficulty because of a time lag in receiving data, among other constraints. Reporting on millennium development goals might be an alternative way of obtaining a general picture of country-level developments. It would not, however, meet the more ambitious expectation of having information on situational indicators with respect to each sub-goal of the strategic results frameworks.

Selected sub-goals

193. The three selected sub-goals were introduced by the Assistant Administrator and Director of the Bureau for Development Policy (BDP), the Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific (RBAP), and the Director of the Emergency Response Division (ERD).

Goal 1: Creation of an enabling environment for sustainable human development: Sub-goal 1: National, regional and global dialogue that widens development choices for sustainable and equitable growth

194. The Assistant Administrator and Director, BDP, stated that with 95 countries reporting on goal 1/sub-goal 1, over half of the activities were in advocacy and policy dialogue for sustainable human development (SHD). It was the second most heavily reported of all strategic areas of support across all regions. The main thrust was on using NHDRs for policy analysis, advocacy and formulation; consultation and consensus-building; and development planning. Some countries had incorporated the gender development index and gender empowerment measures in their NHDRs. In others, NHDRs had influenced medium- and long-term development planning, including in the preparation of poverty-reduction strategy papers.

195. UNDP country offices were involved in assessing the impact of globalization on socio-economic development, focusing on vulnerable groups and on developing measures to mitigate its negative impact.

196. Performance in policy and legal environment for private-sector development and regional and subregional cooperation and economic and technical cooperation among developing countries (ECDC/TCDC) left room for improvement. ECDC/TCDC and gender mainstreaming presented a methodological challenge. Because of their cross-cutting nature, it had proved difficult to obtain results, which were reported across all goals and sub-goals. Regional programmes, however, played a notable role in ECDC/TCDC.

197. Among the challenges ahead, the Assistant Administrator stressed that UNDP and United Nations country teams should assign a more central role to the Millennium Summit outcomes in policy advocacy and dialogue within the framework of national priorities and goals. She emphasized the need to strengthen TCDC as the key mode of operation in UNDP; to collaborate with country offices and regional bureaux through the Bureau for Development Policy, and to provide a platform for the exchange of experience and knowledge for programme countries, civil society organizations, the private sector and think tanks.

198. The Assistant Administrator reported that in support of goal 1, a thematic trust fund had been established to attract non-core resources primarily for country programming. She noted that one of the biggest challenges for UNDP was to ensure that UNDP staff were networked into communities, thereby bringing added value to the quality of work.

Comments on goal 1/sub-goal 1

199. Several delegations welcomed the emphasis placed by UNDP on advocacy for SHD and the preparation of NHDRs. They also sought assurances that UNDP would continue to invest in NHDRs, especially to raise their quality, with one delegation offering to consider the provision of technical and financial assistance for this purpose. Another delegation, while expressing its appreciation for the use of NHDRs for advocacy on globalization, expressed some uncertainty about the utilization of such a tool to address so broad a phenomenon.

200. A number of delegations cautioned the Executive Board about the speed with which it could expect to see progress towards outcomes focused on policy reform, noting that such changes had occurred slowly and could take years to achieve. They also noted the

difficulty of attributing success to any single agency. At the same time, it was acknowledged that an organization did need to know whether or not it was on the right track towards achieving a policy-centred outcome.

201. Delegations expressed their satisfaction with the work of UNDP on regional and sub-regional cooperation and called for an expansion of the ongoing effort from the 14 per cent of country offices currently active in this area. Delegations looked to UNDP establishing its niche through well-articulated global and regional programmes to address challenges such as those presented by globalization.

202. A request was made by a delegation for information on the integrated resources framework (IRF).

Response to comments on goal 1/sub-goal 1

203. The Assistant Administrator and Director, BDP, responded that in the preceding two to three years, UNDP had recognized the value of NHDRs, not just for analysis but also for advocacy and policy dialogue. Action had been taken through the creation of the NHDR Unit and network of practitioners supported by the Human Development Report Office, the network of UNDP policy specialists and institutions such as the South Asia Centre for Human Development. On the IRF, she acknowledged that implementation had been slow during the first two years, but that the initiative had been recently revamped. She offered to provide further details upon request. With reference to ECDC/TCDC, she agreed that they were important but noted the methodological challenge in obtaining results arising from what were in effect modalities of cooperation.

Goal 2: Economic and social policies and strategies focused on the reduction of poverty: Sub-goal 2: The asset base of the poor expanded and protected

204. The Assistant Administrator and Director, RBAP, reported that poverty reduction had emerged as the overarching goal in UNDP development efforts. Expanding and protecting the asset base of the poor, however, was the principal sub-goal in terms of programme expenditure. A total of 90 country offices were already active under goal 2/sub-goal 2. Three key areas of involvement in the attainment of the sub-goal were: (a) access of the poor to resources, assets and employment; (b) access to basic social services and systems for risk management and reduction in vulnerability; and (c) access to information, through ICT. The issues of equitable distribution of land and land reform remained potentially contentious. The focus of resources and assets was mainly on micro-finance, with an emphasis on women. There had been significant successes in Africa and Asia in promoting policy, regulatory and institutional change. About two thirds of outputs, however, involved scattered community-level interventions. Although downstream interventions took place, especially those of the Micro Start programme, more needed to be done to direct community-level lessons into the upstream debate on micro-finance, small and medium enterprise policy and regulatory frameworks. He further noted that, in employment promotion and social production, the tendency towards scattered interventions with lower rates of performance at the outcome level was visible. This was also noted in the ROAR 2000.

205. The Assistant Administrator noted four main emerging issues from the ROAR 2000 analysis: (a) clarifying the position of corporate UNDP with respect to investments in the asset base of the poor by establishing macro-micro linkages;

(b) focusing on social security and national disaster management; (c) integrating gender and HIV/AIDS issues into poverty- reduction goals, verifying that reporting in the ROAR 2000 reflected the new ways in which country offices had mainstreamed gender as a cross-cutting issue; (d) and focusing on ICT to enhance the human resource base of the poor.

Comments to goal 2/sub-goal 2

206. Many delegations emphasized the link between decentralization and poverty reduction and requested further information on institutional development for poverty reduction.

207. Concerning the monitoring of poverty, a delegation queried whether the focus was just on income or broader measures and what UNDP intended to do in that regard. Information was also requested on the actions being taken to ensure the sustainability of UNDP assistance for micro-finance services.

Response to comments on goal 2/sub-goal 2

208. In his response, the Assistant Administrator and Director, RBAP, suggested that the decentralization process was possibly moving ahead too quickly, highlighting how important it was to understand its negative implications. He noted two concerns in particular: the capacity of local institutions to provide services and the danger of "elite capture", in which benefits went to the privileged. He also assured the Executive Board that UNDP was working closely with national institutions to develop ways to measure human poverty.

Goal 5: Special development situations:
Sub-goal 2: Conflict prevention, peace-building and sustainable recovery and transition in countries emerging from crisis

209. The Director of the Emergency Response Division reported that 33 country offices had reported under goal 5/sub-goal 2 on conflict prevention, peace-building and sustainable recovery and transition in countries emerging from crisis. He added that securing livelihoods for people affected by conflict continued to be a focus of UNDP. The countries involved included the Democratic Republic of the Congo, Liberia, the Philippines and Sri Lanka. The creation of the social capital of peace-building, prevention and recovery (skills, networks and institutions) was also a strong feature of UNDP at community and national levels. Support had been provided to East Timor, Eritrea and Kosovo, among others.

210. The Director noted that other key activities included mine action in Angola, Croatia, the Lao People's Democratic Republic and Somalia; small-arms reduction in Albania; the reintegration of war-affected populations through programmes for secure livelihoods; improved access to essential social services; support to peace processes at the national level; capacity-development of national institutions in key areas of development planning; and support for the rule of law through training and capacity-building programmes in Guatemala, Haiti, Rwanda and Somalia. UNV volunteers were playing an increasing role in providing capacity to UNDP programmes and other partner organizations, such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Department of Peacekeeping Operations (DPKO) of the United Nations Secretariat. UNV volunteers had been assigned to East Timor, Kosovo and Sierra Leone. The Director

stressed that the work of recovery programming at the community level had emerged as the most visible area of UNDP work in 2000.

211. The Director concluded his introductory remarks with a reference to some emerging issues. UNDP was committed to creating and demonstrating positive returns on peace-building by focusing on the development dimensions of peace-building in crisis and post-conflict work. There was a need to improve linkages between upstream and downstream work and to strengthen linkages and alignment between work at the community and national levels. He stressed that greater attention was needed in reporting the subregional and regional initiatives that could be crucial in supporting more national efforts.

Comments on goal 5/sub-goal 2

212. A number of delegations expressed some concern at the low level of reporting under the goal and sub-goal and the limited attention given to the resident coordinator system. One delegation expressed its concern about a statement in the ROAR to the effect that the demand for the services of UNDP increased as the proportion of people dependent upon humanitarian assistance declined. Another delegation noted its surprise that, given the importance of the linkage between relief and development, only 11 countries had reported on the subject. It queried whether that was a reflection of limited activity or limited results.

213. One delegation requested information on the role of UNDP in places such as East Timor and Kosovo.

Response to comments on goal 5/sub-goal 2

214. The Director, ERD, outlined the shortcomings in reporting. He stated that the Executive Board had taken note of the report of the Administrator on the role of UNDP in crisis and post-conflict situations (DP/2001/4) in its decision 2001/1, adopted on 5 February 2001, adding that the number of countries reporting should be reviewed within the context of a relatively small group of 33 countries, only those which were currently of concern to the United Nation system. On the coordination of the United Nations system, he noted that UNDP was at the heart of the function and that reporting on the subject would improve in the future with the application of better tools and skills.

215. He observed that moving from relief to development meant most of all dealing with development concerns from the outset. He informed the Executive Board that UNDP was working on the issue and had already tested the concept in Gujarat, India, in collaboration with other United Nations organizations and international financial institutions. The foundation was being laid by focusing on poverty, vulnerability and participation while at the same time providing relief. He added that a meeting devoted to the subject would be held in the near future. The Director concluded by explaining that the statement in the ROAR regarding the demand for UNDP assistance was meant to draw attention to the development dimension of relief activities.

216. The Executive Board took note of the annual report of the Administrator for 2000, including the results-oriented annual report for 2000 (DP/2001/14 and Add.1-3).

X. United Nations Capital Development Fund

217. In his introduction to the results-oriented annual report of the United Nations Capital Development Fund (UNCDF) (DP/2001/17), the Associate Administrator commended the work of UNCDF and highlighted its comparative advantage in local governance and micro-finance. He emphasized the partnership between UNCDF and UNDP in those areas and recognized the contribution of UNCDF toward poverty reduction, especially in the LDCs.

218. The Executive Secretary of UNCDF reported that the recommendations of the 1999 organizational evaluation had been implemented. In introducing the first ROAR, he emphasized the positive results and the remaining challenges. He also presented the 2001/2002 Business Plan, which covered a series of initiatives aimed at ensuring that UNCDF operations tallied with its policy objectives of ownership, participation, capacity-development, innovation, risk-taking, policy impact and replication. On resource mobilization, the Executive Secretary reported that, because of resource constraints, UNCDF had been unable to respond fully to demand. Unless it could mobilize additional core resources, UNCDF would be unable to maintain its current level of activity. Resources would continue to fall far short of the demand for the type of investment financed by the Fund. UNCDF would nevertheless remain innovative and provide quality service for replication. It would continue to work with other partners in local governance and micro-finance. He asked the Executive Board to postpone the impact evaluation of the organization to 2003, which could then be reported to the Board in 2004.

219. Many delegations thanked the Associate Administrator and the Executive Secretary for their presentations and the high quality of the report, noting that it was innovative, user-friendly and balanced. In appreciation of UNCDF work, one delegation announced a contribution of $1,000 while another reported that the contribution of its country to UNCDF had increased by 15 per cent in 2001.

220. Many programme countries commended UNCDF for its high-quality work in their countries in capacity-development, decentralization and micro-finance. They appealed for additional resources so that the Fund could meet client demands adequately.

221. Some delegations from the donor community appreciated the positive comments by programme countries on the work of UNCDF in their countries. A number of delegations sought clarification on the low level of women's participation in development and on how the Fund monitored older projects. One delegation requested more detailed information on the coordination arrangements and beneficiaries of UNCDF work in its country. Another delegation questioned the validity of conclusions drawn from a small number of projects.

222. A number of delegations from the donor community also reported that their countries had increased contributions and hoped to continue supporting the work of the Fund.

223. The Executive Secretary thanked the delegations for their constructive interventions and responded to the requests raised. On the issue of coordination and beneficiaries, he reported that there was a committee on micro-finance that brought together all actors. The beneficiaries of UNCDF programmes and projects included all members in the community at the local level. He observed that the noticeable

difference between women's high level of participation at the needs assessment stage and their low level at the planning stage was often a question of culture. He stressed, however, that UNCDF was doing everything possible to increase the level of women's participation.

224. With regard to the evaluation of older projects, the Executive Secretary reported that the Fund carried out ex-post evaluations of a selected number of projects every year. He added that the practice of cutting back on ongoing projects since 1999 would continue. On the issue of indicators, he observed that while reporting for some indicators was based on a few projects, the Fund was comfortable with reaching conclusions based on independent external evaluations.

225. The Executive Board took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2001/17) and agreed to postpone consideration of the evaluation of the impact of the Fund's programmes and projects requested in its decision 99/22 to the year 2004.

XI. Information technology for development

226. The Administrator introduced the report on the role of UNDP in information and communication technology (ICT) for development (DP/2001/CRP.8), highlighting the main challenges that countries faced and UNDP strategy to address them and provide assistance. He underlined the importance that he personally attached to the effective deployment of ICT to improve development interventions. He then proceeded to elaborate why ICT was a key priority area for UNDP in the fight against poverty.

227. The Administrator stressed that addressing the digital divide could help to eradicate social and economic inequalities — thanks to the potential role of ICT as a development facilitator. Tackling the issue was important for UNDP not only from the knowledge-divide viewpoint but also from the vantage point of opportunities to further democratic governance and to increase productivity, competitiveness and jobs — deriving positive benefits from globalization and enhancing development opportunities.

228. The scale of the challenge and ICT potential were too great for countries to address the issue solely at the project level, the Administrator stated. UNDP would help countries to address policy issues because they needed to be more proactive in responding to the challenges and opportunities presented by the global networked economy. They would otherwise risk marginalization. UNDP could assist countries in adopting innovative policies and in utilizing emerging technologies that allowed them to capitalize on opportunities. Wireless technologies, for example, were becoming more affordable and were actually suited to developing country conditions. Greater private-sector involvement was becoming essential in addressing the investment and development of infrastructure challenges. It had raised, however, a variety of policy issues, including market failure, public access, inter-connection charges, budget support and competition in services which developing countries needed to negotiate.The Administrator indicated that the potential of UNDP to assist developing countries in the area stemmed from its traditional comparative advantages, its role as a development and capacity-building organization, its newly emerging strengths and its participation in strategic partnerships and forums of growing relevance to ICT. Through programmes and initiatives, which included the Sustainable Development Networking Programme (SDNP), the Asia Pacific Development Internet Programme (APDIP) and the Internet Initiative for Africa (IIA), UNDP had already helped to deploy the first Internet nodes in more than 45 countries and had trained more than 25,000 organizations and institutions. UNDP and UNV had joined together in a strategic partnership with Cisco Systems and others to train students in 24 LDCs and to provide skills necessary to build and maintain the Internet infrastructure in those countries.

229. The Administrator specified that UNDP support had focused on promoting connectivity, access, local content development, e-governance, e-government, e-commerce, e-jobs, education, training, capacity-development and advocacy. As it adopted a more upstream policy-oriented focus to complement catalytic downstream projects, UNDP would be partnering with others in the field, adopting new and innovative ways to assist developing countries in leveraging partnerships and resource networks to address market failures more effectively, mobilize resources and share expertise and good practices. The Global Network Readiness and Resource Initiative (GNRRI), for example, a public-private partnership with the Markle Foundation, was expected to provide technical expertise and support to e-readiness and national strategy development. Its assistance at the country level would focus principally on providing policy guidance and support to the development and implementation of national e-

strategies. Further support by new public-private partnerships included the Digital Opportunity Initiative, a project between Accenture, the Markle Foundation and UNDP, that had been seminal in supporting the work of the G-8 DOT force, in which UNDP acted as co-secretariat with the World Bank. Although ICT was expected to be mainstreamed into all UNDP focal areas, e-governance would be a signature service. An e-grant initiative would provide support to catalytic, bottom-up initiatives to complement the national strategy focus. Finally, NetAid and the Cisco Network Academy, operating in 24 LDCs projects, had been viewed as breakthrough public-private partnerships in the areas of public fund-raising and technical training.

230. The report was well received by the members of the Executive Board. While expressing appreciation for what UNDP has already done in the field, some delegations requested further clarification of the role and niche of UNDP, given its resource constraints and the assistance provided by other actors. A number of delegations confirmed the important role played by UNDP ICT for development initiatives and gave examples from their own country experiences as to how the focus of UNDP on ICT had been catalytic.

231. In response, the Administrator and the Senior Adviser to the Administrator and Director of the ICT for Development programme argued that UNDP had a definite role to play and that the main niche for UNDP lay in assisting developing country Governments to address the ICT development "policy challenge" — determining strategic areas of action and implementation for national e-strategies to deploy ICT and to use it to impact the achievement of development goals. UNDP also had a special responsibility to help countries in crisis, transition and special circumstances. The Senior Adviser to the Administrator pointed out that national ICT strategies represented a new and emerging field and no agency appeared to be uniquely qualified to provide support in that area. Its development focus and competencies in ICT for development equipped UNDP to be active in that area; it was working in partnership with many other development organizations focusing on ICT for development. UNDP was also well positioned to work with Governments that were primarily responsible for addressing those issues. It could assist them in leveraging technical expertise and resources from public-private partnerships and resource networks, which could be critical for addressing market failures, in creating new businesses and development models and in bringing much needed resources to bear on ICT for development.

232. The Executive Board took note of the report on the role of UNDP in information technology for development (DP/2001/CRP.8).

XII. Financial resources

Funding commitments

233. In introducing the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9), the Administrator reiterated the need to translate the political commitment generated by the Ministerial Meeting, and underpinned by the multi-year funding framework (MYFF)/ROAR process and the implementation of the Business Plans, into increased core resources. He indicated that the Millennium Development Goals and the upcoming financing for development conference provided an opportunity to address, with political decision-makers, the funding situation for the United Nations in development. He underlined the inadequacy of current levels of funding for UNDP to carry out its mandate, to address the needs of the LDCs, especially countries in sub-Saharan Africa, and to be a trusted partner. He acknowledged the importance of non-core resources, emphasizing at the same time that it was core resources that formed the cornerstone of UNDP work. Non-core resources were a supplement and not a substitute.

234. The Administrator outlined the current resource situation in terms of projected core income for 2001, which was expected to rise by over 2 per cent compared to 2000. Exchange rate factors drew attention away from the fact that as many as 14 OECD/DAC countries were increasing their contributions. He also encouraged donors, both OECD/DAC and programme countries, to ensure a real and sustainable increase in core resources. The Administrator acknowledged both those donors that had made the largest contributions, in terms of volume and on a per capita basis, and those that had attained substantial and sustained growth in contributions. Improvements were anticipated, not only in terms of volume of contributions but also in terms of predictability, including improvements in payment performance, i.e., respecting fixed schedule of payments.

235. The Administrator encouraged those donors that had not yet announced their contributions to do so and those that had already made their pledges to look seriously at the possibility of making supplementary commitments. He also urged donors to present the existing evidence to their Governments of the progress that UNDP had made in its reforms and to ensure that UNDP would figure on the broader political agendas of donor Governments.

236. The Administrator provided an overview of the funding situation of UNDP-administered funds, underlining the growth trend experienced by UNIFEM and UNV over the past two years. Core contributions to UNIFEM had grown by 13 per cent in 2000 and further increases were expected in 2001, with six donors increasing their contributions by 20 per cent or more. While contributions remained at $3 million for UNV, a substantial increase expected in 2001 would raise contributions to $10 million, as the real achievements of UNV were gaining global recognition. Owing to exchange rate movements, there had been a decline in contributions for UNCDF, which had nevertheless been able to expand its donor base with two new OECD/DAC donors in 2000 and three additional donors making commitments for 2001. Those favourable developments were expected to lead to a modest increase in core funding in the following three years.

237. Delegations acknowledged the projected increase in contributions for 2001 announced by the Administrator, making a turnaround after seven years of decline. At the same time, they pointed out that, while increasing, contributions were still below the

agreed targets. Speakers converged on the need for higher resources to enable UNDP to carry out its mandate and attain the MYFF goals. Some donors highlighted the importance of recognizing the reforms and progress achieved by UNDP. One donor stressed the importance of the mandate of UNDP driving its agenda and asked about the use of savings generated by staff reductions. The Administrator clarified that these savings had been redeployed mainly towards staff development.

238. Some delegations commented on the negative impact of exchange rates on increased contributions to regular resources. One delegation raised the issue of the overall impact of purchasing power for local inputs. He enquired about the amount of UNDP expenditures tied to the dollar and the amount tied to local currency, stressing the need for clarification.

239. Several speakers indicated that their Governments intended to increase or maintain core contributions in 2001. One delegation made an additional commitment, while a second stated that, being a key UNDP partner, it would make the case for supplementary funding. While some delegations confirmed their compliance with the multi-year pledge requirement, others indicated that they were unable to do so owing to budget laws.

240. Some delegations suggested measures that UNDP could take to ensure continued support, notably the need for a definable profile, harmonization of programmes and standardized procedures. One delegation stated that its Government was adopting a framework to assess the performance of multilateral organizations, based on which it would determine its level of contributions and supplementary funding. Some speakers noted the alignment of non-core to core resources and recommended integrating existing trust funds into thematic trust funds.

241. In response to issues raised by delegations, the Administrator indicated that it was necessary to undertake a campaign in support of widespread mobilization behind the Millennium Development Goals. He also underlined the need to inform ministers of finance of the resource issue and to continue to ensure that an adequate funding base for the United Nations in development, and UNDP in particular, was consistently brought to their attention.

Programme financing

242. The Associate Administrator noted that the purpose of the conference room paper on programme financing (DP/2001/CRP.10) was to initiate a consultation process leading to an Executive Board decision in 2002 on programming arrangements for 2004 and beyond. The new arrangement would meet the goal of focusing on the poorest countries and improving the impact on human development. Experience showed that UNDP internal arrangements regarding the target for resource assignment from the core (TRAC) line 1.1.2 could be improved. Country offices required flexibility when accessing resources for their advocacy and upstream advisory role.

243. One delegation expressed concern that the variable elements of the three-tier TRAC system could have a negative impact on resource flows to LDCs and low-income countries (LICs) when compared with the fixed nature of the former indicative planning figure (IPF) system. He pointed out that it would be too early to review the TRAC system at the first regular session 2002. He proposed postponing it until the second regular session in 2002. Another delegation sought clarification on the following, contained in paragraph 8 of DP/2001/CRP.10: "... the internal arrangements in UNDP

for assigning TRAC line 1.1.2 can be improved; for example, they could be made less labour-intensive ...".

244. One delegation stressed that particular attention should be given to how various resource distribution formulas could affect resource allocations to large programme countries. He emphasized the importance of increasing core resources assigned to large and small programme countries.

245. The Assistant Administrator and Director, Bureau of Management, responded to the queries. He pointed out that the conference room paper was simply a beginning to a long consultative process on this important matter. In accordance with Executive Board decision 95/23, the TRAC system had resulted in increased progressiveness over the IPF system towards LDCs and LICs. The TRAC system ensured that at least 60 per cent of programme resources were allocated to LDCs and 88 per cent to LICs. The calculations for IPFs assigned during the fifth programming cycle had provided LDCs with only about 56 per cent of total programme resources. He also noted that, given the low level of available core resources, the transaction costs associated with the TRAC 2 and TRAC 3 assignment processes were relatively high, especially in light of their ex-ante nature. UNDP would aim to streamline internal procedures in line with results-based management principles in order to cut those costs.

246. The Associate Administrator added that TRAC 2 was designed to reward high-quality programmes based on performance. Measuring performance, however, first meant defining a set of objective criteria to clarify related issues: Whose performance should be considered — that of country offices or countries themselves? Should more money be given to top performers as opposed to those most in need?

247. The Executive Board took note of the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9).

248. The Executive Board took note of the report on issues and principles for possible improvements in the present arrangements for programme financing (DP/2001/CRP.10).

XIII. Cooperation frameworks and related matters

249. The Associate Administrator introduced the report on the options for new UNDP country programming instruments (DP/2001/CRP.11). He recalled that results-based management tools had constituted a burden on programme countries in their present form and recommended that they be simplified and aligned with other instruments and procedures.

250. The proposed procedures would not affect any of the key principles of programming, including national ownership, results orientation and accountability. These initiatives would reduce the costs of running country offices and would enable staff to devote more time to the programme country development.

251. One delegation expressed satisfaction with the conference room paper on programming instruments (DP/2001/CRP.11), noting that the modified tools would reduce the burden on programme countries. The delegation recommended that the paper should be discussed in detail at the second regular session.

252. Another delegation sought clarification on the relationship between the CCF and the strategic results framework (SRF), noting that it would be better to use the country programme, rather than the UNDAF and the CCA, as a base for the SRF. It also expressed reservation about the proposed annual updates.

253. In response, the Associate Administrator observed that the relationship between the CCF and the SRF would require further consultations with other United Nations system organizations. He noted, however, that the SRF was a mechanism for updating and adjusting, rather than modifying, the CCF.

254. The Associate Administrator gave a general presentation covering the second CCFs for the Former Yugoslav Republic of Macedonia (DP/CCF/MCD/2) and Tajikistan (DP/CCF/TAJ/2) from 2001 to 2003. This presentation also covered the extensions of the ongoing CCFs for Algeria, Lesotho, Namibia and Ukraine, which had been requested in order to synchronize the CCFs with the planning period of the Governments concerned and to harmonize UNDP planning with that of other United Nations organizations operating in those countries.

255. The Executive Board took note of the report on the options for new UNDP country programming instruments (DP/2001/CRP.11).

256. The Executive Board approved the second CCFs for the Former Yugoslav Republic of Macedonia (DP/CCF/MCD/2) and Tajikistan (DP/CCF/TAJ/2).

257. The Executive Board approved the second extension of the first CCF for Ukraine (DP/CCF/UKR/1/Ext.II).

258. The Executive Board took note of the first extensions of the first CCFs for Algeria (DP/CCF/ALG/1/Ext.I), Lesotho (DP/CCF/LES/1/Ext.I) and Namibia (DP/CCF/NAM/1/Ext.I).

XIV. United Nations Office for Project Services

259. In introducing the annual report (DP/2001/19), the Executive Director of the United Nations Office for Project Services (UNOPS) focused on several features that distinguished 2000 from previous years. He pointed out that UNOPS had experienced the first shortfall in income owing to external factors that could have an impact on the conduct of UNOPS business in 2001. The Executive Director noted other significant developments with a much longer-lasting effect, such as: (a) the definitive breakthrough in client diversification; (b) establishment of the Business Advisory Council; (c) creation of partnerships with non-UNDP entities that are characterized by clearly defined divisions of labour and areas of accountability; (d) development of the city-to-city cooperation modality; (e) provision of advisory services in the area of UNOPS comparative advantage, i.e., project management expertise; and (f) development of a task-based approach to the rehabilitation and reconstruction work of the United Nations in countries emerging from conflict. After providing an update on UNOPS key business variables since the start of 2001, the Executive Director concluded by expressing optimism for 2001 and underscoring the dedication of UNOPS staff in both projects and offices.

260. Numerous delegations thanked the Executive Director for the report, which was described as clear, concise and comprehensive. One representative suggested that the report would benefit from greater linkage of the UNOPS contribution to development in general with the operational priorities of the United Nations system as a whole. Timely delivery of the report was a concern of several delegations. One speaker expressed pleasure that the report had been reviewed by the Management Coordination Committee (MCC). Some delegations described UNOPS as a vital, innovative, client-oriented organization that provided high-quality services. One representative pointed to the expansion of the range of services as a positive result; another urged broader geographic coverage of the service offerings. Support was also voiced for UNOPS efforts to strengthen its capacity to partner more effectively with organizations of the United Nations system and the private sector, and to diversify its client base.

261. Two representatives viewed the financial difficulties as temporary and expressed their conviction that UNOPS would be able to overcome them; one attributed the financial situation to dynamic market conditions rather than to an oversight on the part of UNOPS management. According to another delegation, it was the responsibility of the Executive Board to provide guidance to the Executive Director in managing UNOPS. Delegations made suggestions in a number of areas, including lowering the cost of services and transaction costs; continuing efforts at cost containment; improving the fee-setting mechanism; creating a single, integrated financial system to facilitate the accurate, timely collection, processing and reporting of cost data; preparing, with a number of organizations, a manual on managing rehabilitation and social stability in post-crisis countries to facilitate harmonization and coordination of activities; and submitting a timetable for the replenishment of the operational reserve to the Executive Board for discussion at its second regular session 2001. Furthermore, plans for expansion should be preceded by careful assessment and analysis and UNOPS should focus on its comparative advantage and guard against duplication of effort.

262. Delegations requested clarification or additional information on a variety of issues, e.g., the relationship between UNOPS partnership initiatives and the Global Compact of the Secretary-General; the apparent decrease in business with the Office of the United Nations High Commissioner for Human Rights (UNHCHR); the reasons for the establishment of offices in Copenhagen, Tokyo and Washington, D.C.; and the role of UNOPS vis-à-vis the Inter-Agency Procurement Services Office (IAPSO).

263. The Executive Director thanked the delegations for their comments. In responding to their concerns and questions, he indicated that UNOPS adjusted its income rate so that benefits accruing beyond what was needed for the self-financing principle reverted back to the client community. He noted that the work of UNOPS with the Business Advisory Council would have an impact on the permanent quest of the organization to lower administrative costs; however, UNOPS would also pursue opportunities in the area of value-for-money procurement. He informed the Board of the continued productive relationship with UNHCHR. He also stated that UNOPS gave priority to working with private-sector partners who were committed to social accountability and therefore to the principles underlying the Global Compact. He also reported that UNOPS and the Global Compact Office had recently agreed to hold a joint conference in November 2001 on private-sector partnerships and their interface with the principles embodied in the Compact. He emphasized the strictly operational as opposed to representational nature of UNOPS activities and he explained that offices had been established in Tokyo and Washington, D.C. to provide liaison and support to clients located there. The office in Copenhagen would enable UNOPS to lower transaction costs for UNOPS procurement operations and be able to respond more proactively to countries that could be covered more easily from a European location. He stated that UNOPS had used the services of IAPSO for the procurement of specific items and that the relationship between the two organizations would depend on further discussions between UNDP and UNOPS. An update on the existing timetable for the replenishment of the operational reserve would be discussed at the second regular session 2001 of the Executive Board.

264. The Under-Secretary-General of the United Nations Department of Management, as a member of the MCC, addressed the Executive Board on the work of the Committee in connection with UNOPS and its annual report. He thanked the delegations for their comments, which very often focused on issues that the MCC had also handled in 2001. He stated that the role of the MCC was to advise, guide and oversee UNOPS business activity, including its planning and reporting processes, and he provided examples of ways in which the MCC had carried out those functions once the prospect of a shortfall in UNOPS income had become apparent. He observed that the annual report had greatly improved with the inclusion of additional analytical information that the MCC considered important, but he also stated that the MCC continued to urge the Executive Director to publish more definitive, expansive business-line profitability data. He indicated the MCC was very mindful of the fact that UNOPS, in its quest for additional services, should not offer services at any price simply to build volume.

265. In the ensuing discussion, one representative, speaking on behalf of her group, suggested that the Executive Board merely take note of the annual report since the remainder of the draft decision contained some elements that pertained to the review presently being carried out by the Office of Internal Oversight Services. Another representative, speaking on behalf of his region, indicated readiness to adopt the decision as it appeared in the annual report. A proposal was also made to defer consideration of DP/2001/CRP.15 on evaluation to the second regular session 2001 in view of additional information that had been obtained during the week. One delegation indicated the need for time for consultations before being able to take a decision on the second proposal. As a point of information, the President of the Board stated that neither UNDP nor UNOPS would object to postponing consideration of agenda item 14 until the second regular session 2001.

266. The Executive Board adopted decision 2001/10 (see annex I).

XV. Evaluation

267. The Director of the Evaluation Office introduced the report on the evaluation of non-core funding resources (DP/2001/CRP.12) and the report on the evaluation of direct execution (DP/2001/CRP.13), noting that both evaluations where conducted by independent teams. The evaluation of non-core resources had been requested by the Executive Board in its decision 98/2 and the evaluation of direct execution had been undertaken at the initiative of the Administrator. Both evaluations addressed common elements such as the issue of national ownership and UNDP capacity for efficient service delivery. The inadequacy of UNDP business systems had resulted in high transaction costs; the evaluations, therefore, had recommended rethinking the execution systems in support of national ownership.

268. The Associate Administrator provided comments on the two evaluation reports from the viewpoint of management. He stressed that UNDP remained committed to the principle of national execution while focusing on the need to improve current practices. He observed that the current debate should be viewed as the beginning of a consultation process culminating in a full substantive discussion at the second regular session of the Executive Board in September 2001.

269. Delegations thanked the Associate Administrator and the Director for their constructive opening comments. They concurred that Executive Board members had not had time to read the report and that a full discussion should be postponed to the second regular session in September 2001. They underscored the remark by the Associate Administrator that UNDP remained committed to national execution. That commitment dispelled the concern raised in the conference room paper on the evaluation of direct execution, which appeared to recommend that the scope of the model should go beyond assisting countries in special circumstances. It was stressed that direct execution should not replace national execution. The issue of corruption raised in the paper was unacceptable to one delegation. The discussion on non-core funding raised the issue of the lack of cost-accounting with regard to cost recovery.

270. In response, UNDP concurred that the topic should be discussed in full at the second regular session of the Executive Board in September 2001.

271. The Director of the Evaluation Office underlined that, given the new environment for development aid with an emphasis on performance and effectiveness, existing systems had to adapt to strengthen national ownership. The evaluation findings called for measures to strengthen national execution, to which UNDP had a strong commitment. The direct execution model should not be interpreted as competing with national execution. The new environment in which UNDP was operating, however, necessitated refinements, including the potential expansion of direct execution beyond crisis situations. A balance should be struck between effective delivery at the upstream and downstream levels of UNDP interventions. High transaction costs were common to all existing methods of implementation. The issue of accountability for results pressed the case for increased accountability in service delivery, irrespective of modality.

272. The Executive Board took note of the executive summaries on non-core funding and direct execution and agreed to have substantive discussions during the second regular session in September 2001.

273. The Executive Board decided to take up consideration of the evaluation of non-core funding resources (DP/2001/CRP.12) and the evaluation of direct execution (DP/2001/CRP.13) at its second regular session 2001.

XVI. Other matters

Report on the outcome of the Coordinating Committee on Health

274. The Acting Chief of the Reproductive Health Branch reported to the Executive Board on the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health (CCH), which had taken place 19-20 April 2001. Representatives of five members of the Executive Board — Denmark, Ethiopia, Guatemala, the Russian Federation and Viet Nam — had participated. The representative of Denmark had chaired the meeting.

275. At its meeting, the CCH had noted that significant progress had been achieved in advocacy and that work was continuing in the areas of programme development, implementation, monitoring and evaluation. It recommended that future reports to the CCH from the secretariat should detail more clearly the extent to which the Committee's recommendations had been fulfilled. The CCH stressed that in the area of maternal mortality reduction more needed to be done to ensure access to care for all women. It did not, however, recommend the establishment of maternal theme groups in programme countries because the subject was already covered by other, broader, theme groups. With respect to adolescent health, the CCH stressed the need to expand the scope of current programmes and to establish a set of indicators to evaluate them. Again, it did not recommend the establishment of specific theme groups. In the area of HIV/AIDS, the CCH focused on the need to scale up interventions to prevent HIV infection in pregnant women and transmission to their children.

276. The main topic of the third meeting of the CCH was sector-wide approaches (SWAps). The Acting Chief said that SWAps were not a blueprint but a framework for managing development assistance, led by Governments, through a coordinated action plan in which donors, the Government and civil society participated. The CCH had heard from representatives of the Governments of Cambodia and Uganda who had detailed their countries' experiences with health-sector SWAps. One of the main findings was the need to avoid the multiplication of global initiatives and the importance of integrating new, more relevant strategies into existing practices.

277. The Acting Chief reported that UNFPA was strengthening its participation in SWAps in a number of countries, with the objective of ensuring that reproductive health, gender and population issues received the attention they deserved. The Fund was increasing its capacity at headquarters and building the knowledge and skills of its Representatives in the field to take up the challenge of the SWAps. She said that linkages between SWAps and other coordination mechanisms, such as the CCA, UNDAF and poverty reduction strategy papers, needed to be developed further. The Fund welcomed the recommendation of the CCH to continue to examine the implications of SWAps for the work of the three agencies.

278. SWAps would continue to be discussed at the fourth CCH meeting, scheduled to meet in Geneva in 2003, as would maternal and newborn health, violence against women and girls, and HIV/AIDS among young people.

279. One delegation said that the CCH had the potential to be a valuable forum for coordinating the work of the three organizations in the area of health. However, at present, it was only meeting every other year. The delegation wondered whether it needed to meet more frequently in order to be more effective. It also held the view

that the meetings of the CCH needed to be more goal oriented. Another delegation said that it had supported the formation of the CCH and the participation of UNFPA in it. However, after three meetings, it was beginning to wonder what the real value added was, especially given the turnover in its membership and the infrequency of its meetings. The three agencies were already cooperating in the areas common to their mandates; this needed to be sustained and reinforced, but perhaps it was time to look at the role of the CCH in fostering such collaboration.

280. The representative of UNICEF reported to the Executive Board that UNICEF and UNFPA enjoyed a close relationship both in the field and through the UNDG. Specific areas of joint concern included safe motherhood, prevention of the spread of HIV and, as had been discussed at the most recent CCH meeting, health-sector SWAps. The two agencies could look forward to ever-closer cooperation, both through the CCH and at the secretariat level.

281. *The Director of the Technical Support Division thanked the representative of* UNICEF for the supportive comments. She welcomed the comments of delegations on the role of the CCH. It was an important avenue for cooperation, but she agreed that there were many such avenues and their number seemed to be expanding. Perhaps it was time to review the CCH mechanism in terms of the periodicity of its meetings, its agenda items and the costs incurred. At this year's meeting it had been decided to review the terms of reference of the CCH at the next meeting with the three agencies and CCH members.

282. The Executive Board took note of the oral report on the outcome of the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health, which took place 19-20 April 2001.

Technical Cooperation among Developing Countries

283. The Associate Administrator reported that the High-level Committee on the Review of Technical Cooperation among Developing Countries (TCDC) had held its twelfth session from 29 May to 1 June 2001. He introduced the Decisions of the High-level Committee on the Review of TCDC adopted at its twelfth session, 29 May-1 June 2001 (DP/2001/CRP.14).

284. *UNDP reaffirmed the importance of South-South partnerships in implementing* the Millennium Development Goals and called for new tools, including new partnerships and new knowledge, for that purpose. UNDP reiterated its commitment to funding South-South cooperation activities, to assist in the formation of broad-based partnerships and to enable developing countries to pool their experiences and coordinate strategies in the delivery of services under TCDC arrangements.

285. The High-level Committee had requested the Administrator to support, as a matter of priority, efforts towards mainstreaming the use of the TCDC modality in operational activities for the development of the United Nations system; to take the necessary action to mobilize more resources for TCDC through the Voluntary Trust Fund for the Promotion of South-South Cooperation; to promote the effectiveness of the TCDC focal-point mechanism, especially at the regional level, and at the country level through the resident coordinator system; to ensure that the separate identity of the Special Unit within UNDP is maintained; and to submit a comprehensive report to the Committee at its thirteenth session on progress made in the implementation of

the Buenos Aires Plan of Action, the strategy underpinning the new directions for technical cooperation among developing countries, and the implementation of the decisions adopted by the High-level Committee at its twelfth session.

286. The Executive Board took note of the decisions of the High-level Committee on the Review of Technical Cooperation among Developing Countries (DP/2001/CRP.14) adopted at its twelfth session, 29 May-1 June 2001.

287. The Executive Board concluded its work by adopting decision 2001/12 (see annex I).

Part three
Second regular session

Held at United Nations Headquarters in New York from 10 to 14 September 2001

I. Organizational matters

Duration of the session

1. Owing to the tragic events that occurred in New York on 11 September 2001, the second regular session of the Executive Board of UNDP and UNFPA was reduced from 5 to 3 days.

Executive Board work plan for 2002

2. The Executive Board approved the agenda and work plan for the session.

3. The Executive Board approved the list of items to be taken up by the Executive Board in the year 2002 (DP/2001/CRP.16).

4. The Executive Board also agreed to its schedule of work for 2002: first regular session, 28 January to 8 February; annual session, 17 to 28 June (Geneva); second regular session, 23 to 27 September 2002.

Rationalization of documentation and streamlining of working methods of the Executive Board

5. The Director, Bureau for Resources and Strategic Partnerships (BRSP), introduced document DP/2001/CRP.17-DP/FPA/2001/CRP.2 on rationalization of documentation and streamlining of working methods of the Executive Board, which had been prepared jointly by UNDP and UNFPA.

6. Regarding the volume of documentation, the Director noted that UNDP and UNFPA were proposing to reduce the volume of documentation by 50 per cent. On the issue of presentation, he suggested that a more disciplined and tighter approach could be found so that it would be easier to grasp the main components of the documents. With regard to the working methods, he suggested that the Executive Board might wish to continue to explore ways of improving its working methods. He emphasized that the effort would be undertaken within the existing frameworks and principles. He stressed that it was the Board that should decide on such matters and give guidance to the secretariat.

7. The Chief of the UNFPA Executive Board Branch concurred with the remarks made by the Director of BRSP. He added that the purpose of the conference room paper was to build up on decision 96/45 which had already helped improve significantly the working methods, including matters relating to documentation. However, issues relating to documentation had remained problematic. He therefore advised that the time had come to review the process in order to serve the Board better and reduce the demand on the United Nations conference services.

8. A number of delegations commended UNDP and UNFPA for the quality of the paper and the introductory statements. They concurred that the points raised merited serious attention.

9. Regarding documentation, there was a consensus that the volume should be drastically reduced without sacrificing quality. Documents of the Executive Board should be distributed to the missions in all United Nations official languages within the six-week deadline in accordance with General Assembly legislation. Two delegations urged that the documents be prepared in simpler language, with few abbreviations and acronyms. One delegation observed that there had been a

proliferation of conference room papers. He regretted that, decisions were increasingly being taken on the basis of those papers, which were not official documents. He added that in exceptional circumstances the Board could take decisions based on a text in the English language only. He regretted that that had now become the rule rather than the exception. He urged that measures be taken to avoid those practices.

10. There was also general agreement that the working methods of the Executive Board needed to be improved within the existing frameworks and principles. In view of the importance attached to the subject, some delegations suggested that consultations should continue within and among groups. One delegation suggested that the secretariat compile the recommendations arising from those consultations into a report for the consideration of the Executive Board in 2002.

11. One representative stated that his delegation would be willing to support the secretariat, upon request, in implementing some of the recommendations from members of the Board.

12. The Director, BRSP, thanked delegations for their constructive comments and suggestions. He concurred that what was required was to continue the discussion; the secretariat would continue to consult with members of the Executive Board in the months ahead.

13. The Executive Board took note of the proposals on rationalization of documentation and streamlining of working methods of the Executive Board (DP/2001/CRP.17-DP/FPA/2001/CRP.2) with comments.

UNDP segment

II. Financial, budgetary and administrative matters

UNDP budget estimates for the biennium 2002-2003

14. The Administrator introduced his report on biennial budget estimates for 2002-2003 (DP/2001/21). He began by providing an update on developments since the annual session 2001. Particularly noteworthy was the United Nations special session on HIV/AIDS, in which UNDP had played an active role and continued to support the drive by the Secretary-General to mobilize resources and public support. He reported on the successful launching of the Human Development Report 2001: Making new technologies work for human development. The Government of Mexico had hosted the launching, which had received extensive media coverage.

15. The Administrator reported on his briefing to the Economic and Social Council at its regular session in Geneva and on the G-8 summit meeting in Genoa on information and communications technology for development. He had also met with UNDP resident representatives in the Latin American and Caribbean region and had attended the Post-ministerial Conference between the Association of South-East Asian Nations (ASEAN) and its Dialogue Partners in Viet Nam, the Tenth Meeting of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-X) sponsored by the Group of 77 in the Islamic Republic of Iran, the World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance and had co-chaired the UNDP global staff meeting from South Africa on 30 August 2001. The Administrator had stressed at the global staff meeting that choosing South Africa as host country for the event highlighted the importance which UNDP attached to country offices in its work. He observed that his recent field visits proved to him that UNDP had turned the corner, confirmed his faith in the principle of national execution and demonstrated the remarkable strength of UNDP in capacity-building activities. Examples of extraordinary partnerships, real faith and trust of programme countries in UNDP also helped to form this view.

16. In speaking of the implementation of his Business Plans, 2000-2003, the Administrator reported that 80 country offices had already been reprofiled. The reprofiling exercise would serve the new needs of capacity-building and policy dialogue in programme countries and would reduce administrative costs by an average of 15 per cent, thereby respecting the no-growth targets of the new budget for the biennium. The exercise was led by UNDP and managed with the assistance of a few consultants. These efforts had already achieved greater focus and efficiency at the country level. He also reported that staff numbers at headquarters had been reduced by 18 per cent — i.e., by 212 staff members out of a total of 948. Owing to the urgent need to build some modest capacity in areas of growing importance — such as HIV/AIDS, information and communication technology for development, emergency response and the UNDP internal information management system — the net reductions at the end of 2001 would be around 22 and not 25 per cent, as originally planned. Further staff reductions were projected for the following 6 to 12 months in 2002 in accordance with the goal to reduce staff by 25 per cent from the figure for 2000, when the reform exercise had begun.

17. The Administrator reported that the simplification exercise had made clear progress in positioning results at the centre of UNDP business by interconnecting programme, management and performance assessment instruments. For that purpose, country offices would use a single results-based management system to plan, monitor and report on most aspects of their work. By the end of 2001, country offices would be using a leaner strategic results framework (SRF) and a simpler country cooperation framework (CCF), aligned to the SRF and United Nations programming instruments. The scorecard would become the sole management tool, with a simplified assessment instrument to ensure alignment between results and individual staff performance. The simplification initiative would be complemented by a renewed emphasis on business re-engineering to improve the efficiency of country offices. Improved business processes would drive the next generation of UNDP information technology systems and further the United Nations harmonization agenda. The Administrator stressed that UNDP would continue to promote national execution as the preferred programme execution modality.

18. The new assessment centre would administer the selection of resident coordinators and resident representatives, the Administrator observed, by identifying candidates with the right profile to lead United Nations reform and country teams in an increasingly complex environment. He expressed gratitude to those Governments that had provided their financial support to the assessment exercise.

19. The Administrator reported that the Office of Internal Oversight Services (OIOS) had only just completed its review of the United Nations Office for Project Services (UNOPS). The Secretary-General and the Management Coordination Committee (MCC) intended to review the report shortly and consultations with the Executive Board would be undertaken after the review had been completed.

20. The Administrator stated that the strategy of the budget was to align resources with the goals and priorities of the Business Plans. The tight financial situation made preparing a reduced, reprioritized strategic budget a necessity. Resources had been allocated to support a strong vision of a new UNDP. Savings from additional reductions would be invested in human resources, notably staff training and security, HIV/AIDS, the simplification exercise and information technology for development. The new vision for UNDP required the combination of a range of services that drew upon capacities provided through both the support budget and programme resources. Since UNDP capacity-building and advisory services were people-based development activities, the organization needed to review how resources were perceived and distributed between programme and support budgets. He informed the Executive Board that UNDP would provide more details during the Board review of successor arrangements in 2002.

21. The Administrator observed that the eight-year decline in regular resources had been reversed and contributions were projected to increase by 5.6 per cent, or $36 million, in 2001 as compared to a total of $634 million (net) in 2000. Multi-year funding framework (MYFF) targets for 2002 and 2003 had nevertheless been revised downward to reflect the more realistic projections of $800 and $900 million, respectively. He noted that owing to predictable payments and adherence to fixed payment schedules by some donors in 2001, UNDP had replenished the operational reserve and was back on the right track. He also reported that donor co-financing (non-core) had continued to rise, accounting to about 30 per cent of overall income in 2000. In compliance with the Ministerial Meeting and the second regular session

of the Board in 2000, UNDP had introduced a new budget that was more aligned and synergistic with the changing resource environment. The budget presented two distinct types of income aside from the regular resources. The first, third-party co-financing, was similar to regular resources in that it was used for development priorities outside the contributor country. The second, programme country cost-sharing, financed projects in the contributor country. In the new budget document, regular resources and third-party co-financing were presented as a distinct donor category of funding, separate from local resources provided by programme countries. The total income projected for 2002-2003 was $4.9 billion, comprising $3 billion in total donor resources and $1.9 billion in local resources. Of these resources, 83 per cent would go to programme activities and the balance of 17 per cent to support budget activities. Of the 17 per cent for the support budget, 6 per cent was allocated to the operational activities of the United Nations.

22. The Administrator underscored that the new net budget of $502.6 million for 2001-2002 was $15.7 million less than that approved for 2000-2001. This included both a net volume reduction of $43.1 million and cost increases, due largely to inflation ($24.6 million). UNDP had arrived at these figures through a $70.5 million resource reduction at headquarters and country offices, increasing institutional support in areas such as security and competency assessment by $11 million, and earmarking priority areas, mainly in country offices, by $15.7 million. The proposals also reflected more realistic income estimates.

23. The Administrator also introduced budget proposals for the United Nations Volunteers (UNV), the Inter-Agency Procurement Services Office (IAPSO), the United Nations Capital Development Fund (UNCDF) and the United Nations Development Fund for Women (UNIFEM). He noted with regard to UNIFEM that the budget had been aligned with its increasing resource base, programme management and strategic-results orientation. Programme support costs reflected strategic staff changes that would enable UNIFEM to improve its technical cooperation and services to gender equality programmes in countries collaborating with other United Nations organizations.

General comments on the report of the Administrator

24. Delegations commended the Administrator for his excellent introductory statement and the high quality of the reports. They noted that the biennial budget estimates for 2002-2003 were balanced, realistic and strategic. Many delegations regretted that contributions to regular resources remained inadequate and depended on few donors. They stressed that regular resources remained the lifeblood of the organization and urged complementing — without substituting — them with funds from other sources. Accordingly, they welcomed the reversed trend in regular resources, which had declined over the previous eight years, although the level remained below the original MYFF targets. This turnaround nevertheless reflected political support to UNDP priorities and acknowledgement of the results achieved in the context of the Business Plans. Delegations stressed the need for more regular resources to maintain a global UNDP presence, based on the principles of neutrality and multilateralism. Some speakers noted that the projected increase of $800 million was optimistic while one delegation cautioned that a lower-than-projected amount was possible. Other speakers indicated the intention of their Governments to maintain or increase the level of their contribution in 2002. To maintain a high level of contributions, some delegations stressed the importance of burden-sharing.

25. Many delegations appreciated UNDP efforts to contain the overall budget while expressing concern over the declining resource allocation for development activities in low-income countries, especially in Africa. They urged the Administrator to consider a reduced cut in the support budget for the least developed countries (LDCs) while maintaining a critical mass in those countries. Such action would respect the development needs of LDCs as expressed in the action plan at the Third United Nations Conference on the Least Developed Countries. Two delegations underlined the need to consider the specific circumstances in countries with economies in transition before making budget reductions.

26. Several speakers encouraged the approach of UNDP towards mobilizing resources from other sources and in diversifying the resource base. Several delegations noted that LDCs had not yet received a fair share of those resources. One speaker inquired about the prospects of mobilizing non-core resources for Africa. Many delegations, citing the comments by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), emphasized that support costs should accurately reflect the full costs involved in providing services to other resources. Some delegations welcomed the proposed approach to increasing cost recovery while another acknowledged that support costs in the context of other resources should contribute a "fair share" but also remain competitive.

27. One delegation observed that the overall support-cost ratio remained relatively high at 21.9 per cent. Another sought information about a comparable ratio for other United Nations organizations. Citing comments by ACABQ, one delegation did not favour the proposal to transfer the budget component for 27 economist posts to programme funding.

28. Some speakers endorsed the reprofiling exercise at the country office level designed to achieve higher efficiency and better quality of services. One speaker advised that the task should be undertaken in consultation with the programme country Government.

29. Many speakers supported the additional investments in learning, HIV/AIDS, staff security, the assessment process for resident coordinators, simplification exercises and information technology for development. Several delegations advised that UNDP should coordinate its work with the activities of the United Nations Task Force on Information and Communication Technology for Development.

30. Several delegations emphasized the role of the resident coordinator system in the mandate of UNDP, including the Development Group Office (DGO). One delegation encouraged UNDP to intensify its efforts to establish United Nations houses as part of streamlining activities within the United Nations system. Two delegations supported the initiative by UNDP and the United Nations Children's Fund (UNICEF) to create a joint office under one chief executive who would serve simultaneously as resident coordinator and representative of participating organizations.

31. Some delegations supported the focus of UNDP on crisis and post-conflict situations through the Emergency Response Division (ERD). The organization should, however, adhere to its mandate in this area. Another delegation advised that UNDP should enhance the role of technical cooperation among developing countries (TCDC) in that area. Another added that TCDC needed more resources to do its work properly.

32. Some delegations acknowledged the achievements of UNIFEM. Two delegations, however, expressed concern about the increased support budget and staffing levels at headquarters. They warned that UNIFEM should not become another specialized agency with all corresponding support functions.

33. Some delegations praised the high quality of performance of the United Nations Capital Development Fund (UNCDF) in decentralization activities and in the micro-finance sectors.

34. Some delegations supported a more realistic projection of government contributions to local office costs (GLOC). One delegation, however, requested that in order to show government contributions from programme countries, future budget submissions should include a break down of contributions to local office costs.

35. In seeking ways to minimize duplication, some delegations urged UNDP and the World Bank to coordinate their efforts further in light of their comparative advantages.

Response of the Administrator

36. The Administrator thanked members of the Executive Board for their constructive comments on the biennial budget estimates for 2002-2003 and donor Governments for their generous contributions to UNDP regular and non-core resources. He hoped that donors would emulate those that had increased their contributions with the aim of mobilizing adequate resources so that UNDP could carry out its mandate adequately.

37. The Administrator welcomed the debate on cost recovery. He clarified how regular resources financed the central functions of UNDP, including the resident coordinator role — which, he said, should not be considered when determining the support cost ratio for regular resources. Other resources contributed significantly to the organization at large, particularly in countries with high volumes of other resources, such as Brazil.

38. In addressing the declining allocation of resources for low-income countries, especially in Africa, the Administrator explained that the distribution of regular programme resources was subject to an objective formula agreed to by the Executive Board. Only higher overall contributions to regular resources would make more resources available to low-income countries. He concurred that additional funds from other sources were needed for Africa; a number of measures were being taken in that regard. He added that resource mobilization had been built into management performance plans for the region, as agreed at the regional cluster meeting. Successful resource mobilization strategies from other regions, in particular Latin America, were being applied to the Africa region, for which UNDP would ensure that an adequate share of thematic trust funds would be made available.

39. The Administrator explained that staff reductions in Africa had been staggered to avoid serious disruption in country office operations. He reported that country offices had on average only two international staff members, owing to previous reductions having focused on them. To preserve the principle of universality in staffing, the number of international staff members could not be reduced much further. Current proposed reductions had significantly affected national staff as a result.

40. The Administrator clarified that the United Nations Task Force on Information Communication Technology served as a forum to facilitate public- and private-sector interactions and to mobilize resources for information and communication technology. As the Task Force had consequently not been involved in operational aspects, there had been no overlapping on policy issues with UNDP. The Administrator, however, observed that a strong partnership existed between UNDP and the Task Force.

41. The Administrator noted that UNDP was working well with international financial institutions, in particular the World Bank. He concurred that a need to refine the respective roles of the World Bank and UNDP was needed. He called on Executive Board members to support a strategic distribution of labour between the two organizations through their respective legislative bodies.

42. The Administrator stated that UNIFEM budget proposals were appropriate in light of the organization's workload, which had increased over time; commensurate managerial adjustments were therefore necessary. He assured the Executive Board that UNIFEM would not become a specialized agency.

43. The Administrator stressed that UNDP supported the vital role of TCDC. He concurred that additional financial resources were needed and accordingly underscored the urgent need to mobilize resources for that purpose.

44. The Administrator agreed that the increased capacities of ERD would be fully funded through non-core resources, adding that UNDP operations in the area will be fully consistent with its mandate.

45. The Executive Board took note of the report on the annual review of the financial situation 2000 for UNDP (DP/2001/22 and Add.1).

46. The Executive Board took note of the Advisory Committee on Administrative and Budgetary Questions on UNDP budget estimates for 2002-2003 (DP/2001/24).

47. The Executive Board took note of the information on United Nations technical cooperation expenditure, 2000 (DP/2001/30 and Add.1).

48. The Executive Board took note of the amendment to the UNDP financial rules (DP/2001/CRP.18).

49. The Executive Board took note of the report on the update on the multi-year funding framework and revised integrated resources framework (DP/2001/25).

50. The Executive Board adopted decision 2001/13 (see annex I).

Trust funds for energy and environment for sustainable development

51. The Administrator officially launched the thematic trust funds for energy and the environment (TTFs) on 10 September 2001 at the second regular session of the Executive Board. The Administrator noted that the new trust funds underscored the centrality of energy services and environmental conservation in global efforts to reduce poverty. He also observed that energy and the environment were among the organization's core development priorities. The new trust funds would complement existing global efforts by providing a window for the donor community to address local environment and energy needs that were not currently eligible for financing from other sources. The financial target for each of the new trust funds was $60 million over a period of three years. The Global Environment Facility and the

Montreal Protocol could be expected to remain significant sources of programme funding to address global environment issues within UNDP country operations.

52. The thematic trust fund for the environment would boost UNDP efforts in helping countries establish effective policies and institutions that both protect the environment and reduce poverty. UNDP would focus its support on integrating environmental management concerns into national development frameworks, strengthening local environmental governance and addressing global and regional environmental problems.

53. The thematic trust fund for energy for sustainable development would help countries produce and use energy in economically, socially and environmentally sustainable ways. The fund would focus on national policy frameworks, rural energy services, clean energy technologies and new financing mechanisms to support sustainable energy.

54. The thematic trust funds provided several types of support for country offices in that the service lines represented the priority areas of focus within energy and environment for UNDP as a whole. They identified initial programme areas and funding from trust fund resources. The Bureau for Development Policy in conjunction with regional bureaux would be developing criteria for prioritizing funding requests. The Administrator concluded by noting that the programme teams for energy and the environment were in the process of mobilizing non-core resources and defining the prioritization criteria. Country offices should expect the thematic trust funds to begin funding operations at the beginning of 2002, subject to the receipt of donor resources.

III. Multi-year funding framework

55. The Assistant Administrator and Director, Bureau of Management (BOM), introduced the update on the multi-year funding framework (MYFF) and revised integrated resource framework (DP/2001/25). He observed that the integrated resource framework was presented to the Executive Board annually, as required in its decision 99/1. He noted further that the resource framework had been updated with figures for 2000 and revised projections for the remaining three years of the programming period. He reported that there had been a delay in the MYFF target for regular resources, but an increase in co-financing targets from donors of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). There had also been a levelling-off of programme country cost-sharing contributions. The Director reported that the integrated resource framework was fully aligned with the biennial budget submissions. He concluded by noting that most delegations had already commented on the income targets.

56. The Executive Board took note of the report on the update on the multi-year funding framework and revised integrated resource framework (DP/2001/25).

IV. Evaluation

57. The Board decided to postpone consideration of the item on evaluation to the first regular session 2002.

V. Country cooperation frameworks and related matters

58. The Associate Administrator noted that there were three sets of documents: country reviews, country cooperation frameworks (CCFs) and CCF extensions. He also mentioned the proposal for UNDP future assistance to Myanmar and the new regional cooperation framework for Asia. He observed that other CCFs would be submitted at the first regular session 2002.

59. He observed that the country reviews were independent assessments of UNDP performance at the country level. They provided lessons and an opportunity for UNDP and national authorities to gain experience from systemic and objective feedback. Twenty-two reviews had been completed in 1999, 51 in 2000 and by the end of August in 2001 more than 20 overall. The new CCFs had drawn lessons from these reviews.

60. As agreed by the Executive Board, 10 country reviews had been submitted to the Board in 2001, two from each region. The reviews had found that in general greater focus was being given to the enhancement of UNDP operations results. More attention, however, should be given to gender actions to combat the feminization of poverty and gender disaggregation to monitor activities in the area. With the consolidation of the UNDP results-based management system, country reviews would be discontinued in the new round of country programmes.

61. With reference to the new CCFs, the Associate Administrator observed that they embraced the vision of the new UNDP as approved in the Administrator's Business Plans, 2000-2003. They emphasized pro-poor impact through upstream advocacy and policy advice and focused on improving governance for poverty eradication while taking into consideration different national priorities and interests of other stakeholders. The common thrust, however, was centred on setting up systems, supporting institutions and promulgating policies that made a difference for underprivileged and vulnerable groups. Within that thrust, CCFs supported democratic and rights-driven reforms, including the promotion of transparency and accountability, decentralization and the strengthening of local governance, support to electoral systems and human rights.

62. Another new dimension to the CCFs was results orientation. To reflect the full breadth of result orientation and to link it more closely to the strategic results framework (SRF) and the United Nations Development Assistance Framework (UNDAF), some country offices had been encouraged to work with Governments in experimenting with the new CCF formats.

63. Other innovations included the introduction of a matrix that aligned the goals of the CCF with those of the multi-year funding framework (MYFF) and the SRF. Linkages were also provided to the United Nations harmonization process by organizing UNDP results around strategic areas. Documentation had been shortened partly by providing summaries and hyperlinks to web sites containing other relevant information.

64. The Associate Administrator noted that the subregional cooperation framework (SCF) for the countries of the Organization of the Eastern Caribbean States and Barbados (OECS) represented a shift from 10 individual CCFs to one subregional and more comprehensive cooperation framework. The SCF had been developed in coordination with the OECS secretariat and the Government of Barbados.

65. The subregional framework had led to economies of scale for UNDP, thanks to having to prepare only one document instead of 10 and the focus on OECS development and regional programming strategy.

66. The Associate Administrator indicated that there were two types of CCF extensions: one-year extensions and second one-year extensions. The extensions were necessary to harmonize UNDP programming periods with those of other United Nations organizations or because of changes in government or other circumstances. Second extensions, which required Board approval, enabled authorities to prepare a thorough country review in view of prevailing conditions in a country.

67. The Associate Administrator concluded by stressing that the CCFs clearly indicated the changing focus of UNDP towards addressing the plight of the poor, moving upstream and concentrating on areas in which the organization had a comparative advantage while remaining demand and results driven. He assured Executive Board members that with more resources at its disposal UNDP would be able to do more.

68. The Executive Board took note of the following country review reports:

Country review report for Ghana	DP/CRR/GHA/1
Country review report for the Democratic People's Republic of Korea	DP/CRR/DRK/1
Country review report for Egypt	DP/CRR/EGY/1
Country review report for the Republic of Moldova	DP/CRR/MOL/1
Country review report for Brazil	DP/CRR/BRA/1
Country review report for Guyana	DP/CRR/GUY/1

69. The Executive Board approved the following country cooperation frameworks:

Second country cooperation framework for Burkina Faso	DP/CCF/BKF/2
Second country cooperation framework for Burundi	DP/CCF/BDI/2
Second country cooperation framework for Chad	DP/CCF/CHD/2 and Corr.1 (F only)
Second country cooperation framework for Gambia	DP/CCF/GAM/2
Second country cooperation framework for Lesotho	DP/CCF/LES/2
Second country cooperation framework for Malawi	DP/CCF/MLW/2
Second country cooperation framework for Mozambique	DP/CCF/MOZ/2
Second country cooperation framework for Senegal	DP/CCF/SEN/2
Second country cooperation framework for Swaziland	DP/CCF/SWA/2
Second country cooperation framework for Togo	DP/CCF/TOG/2
Second country cooperation framework for the United Republic of Tanzania	DP/CCF/URT/2

Second country cooperation framework for Zambia	DP/CCF/ZAM/2
Second country cooperation framework for Bhutan	DP/CCF/BHU/2
Second country cooperation framework for China	DP/CCF/CPR/2
Second country cooperation framework for the Democratic People's Republic of Korea	DP/CCF/DRK/2
Second country cooperation framework for Indonesia	DP/CCF/INS/2
Second country cooperation framework for Mongolia	DP/CCF/MON/2
Second country cooperation framework for Nepal	DP/CCF/NEP/2
Second country cooperation framework for Sri Lanka	DP/CCF/SRL/2
Second country cooperation framework for the Republic of Moldova	DP/CC/MOL/2
Second country cooperation framework for Brazil	DP/CCF/BRA/2
Second country cooperation framework for Chile	DP/CCF/CHI/2
Second country cooperation framework for Guatemala	DP/CCF/GUA/2
Second country cooperation framework for Peru	DP/CCF/PER/2
Second country cooperation framework for Uruguay	DP/CCF/URU/2

70. The Executive Board approved the first subregional cooperation for the Caribbean (DP/SCF/CAR/1).

71. The Executive Board approved the second extension of the first country cooperation framework for Argentina (DP/CCF/ARG/1/EXTENSION II).

72. The Executive Board took note of the following extensions of country cooperation frameworks:

First extension of the first country cooperation framework for Benin	DP/CCF/BEN/1/EXT.I
First extension of the first country cooperation framework for Comoros	DP/CCF/COI/1/EXT.I
First extension of the first country cooperation framework for Côte d'Ivoire	DP/CCF/IVC/1/EXT.I
First extension of the first country cooperation framework for Ghana	DP/CCF/GHA/1/EXT.I
First extension of the first country cooperation framework for Mauritania	DP/CCF/MAU/1/EXT.I
First extension of the first country cooperation framework for Fiji	DP/CCF/FIJ/1/EXT.I
First extension of the first country cooperation framework for the Federated States of Micronesia	DP/CCF/FSM/1/EXT.I
First extension of the first country cooperation framework for India	DP/CCF/IND/1/EXT.I

First extension of the first country cooperation framework for Kiribati	DP/CCF/KIR/1/EXT.1
First extension of the first country cooperation framework for the Marshall Islands	DP/CCF/MAS/1/EXT.1
First extension of the first country cooperation framework for Niue	DP/CCF/NIU/1/EXT.1
First extension of the first country cooperation framework for Palau	DP/CCF/PLU/1/EXT.1
First extension of the first country cooperation framework for Papua New Guinea	DP/CCF/PNG/1/EXT.1
First extension of the first country cooperation framework for Samoa	DP/CCF/SAM/1/EXT.1
First extension of the first country cooperation framework for the Solomon Islands	DP/CCF/SOI/1/EXT.1
First extension of the first country cooperation framework for Tonga	DP/CCF/TON/1/EXT.1
First extension of the first country cooperation framework for Tuvalu	DP/CCF/TUV/1/EXT.1
First extension of the first country cooperation framework for Vanuatu	DP/CCF/VAN/1/EXT.1

73. The Executive Board took note of the report on Nauru: earmarkings from the target for resource assignment from the core (DP/2001/31).

Regional cooperation framework for the Asia and Pacific region

74. The Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, introduced the second regional cooperation framework for the Asia and Pacific region, 2002-2006 (DP/RCF/RAP/2). He observed that the programme, with a total budget of $130 million, had been prepared following extensive consultations and took into account economic, political, social and environmental trends in the region. It would support the provision of regional public goods, minimize cross-border externalities and promote regional advocacy and cooperation efforts.

75. The Director noted further that the programme would focus on democratic governance for human development, sustainable development, globalization and economic governance. He also provided details of different programme areas and their expected results and stressed that linkages had been established between the global, regional and country cooperation frameworks. He concluded by advising that, as part of regional ownership and increased participation of national partners, various regional initiatives under the second regional cooperation framework would be hosted by 12 to 13 countries in the region during that period.

76. The Executive Board approved the second regional cooperation framework for Asia and Pacific (DP/RCF/RAP/2).

Note by the Administrator on future assistance to Myanmar

77. The Resident Representative introduced the note by the Administrator on UNDP continued assistance to Myanmar (DP/2001/27).

78. He provided an overview of the proposals contained in the note, stressing that all had been formulated and would be implemented within the framework of the existing mandate governing UNDP activities in Myanmar. He further reported that the note had been prepared in consultation with the various stakeholders and beneficiaries, including key partners and civil society organizations. Overall, the Human Development Initiative (HDI) activities over the next phase would continue to expand the capacities of grass-roots communities to help them to meet their basic human needs better and to improve their economic and food-security prospects. Those activities would be implemented through a number of strategies and mechanisms so as to fully impact on participatory community decision-making and leadership and to further strengthen and expand the pool of qualified development partners in civil societies at the grass-roots level. There would be two major integrated community development projects with small-scale environmental conservation and protection components; a micro-finance project to provide small loans to rural communities and sustain micro-finance institutions at the community level; and an HIV/AIDS project that would seek to strengthen interventions carried out under previous HDI phases, including a blood safety programme and HIV/AIDS prevention and care. In addition, a nationwide household economic survey and comprehensive assessments in the agriculture and environment sectors would be undertaken.

79. The Resident Representative also reported that a programme framework to provide continued assistance to the residents of the Northern Rakhine State had been finalized and was ready for submission to donors. UNDP had been waiting since May 2001 for approval by the Government of the document entitled "Basic Needs Assistance Programme" (BNAP) for the Northern Rakhine State, where the Office of the United Nations High Commissioner for Refugees (UNHCR) had been engaged since 1993 in the repatriation and resettlement of the returnees from Bangladesh. Meanwhile, with the support of UNDP, UNHCR was putting in place an interim contingency plan to ensure continued assistance to the Northern Rakhine State until the approval of the BNAP.

General comments on the note by the Administrator

80. Seven delegations commended the high quality of the note and thanked the Resident Representative for a clear and informative presentation and the excellent work in Myanmar. They noted the positive impact of HDI activities, which had been achieved at the grass-roots level under difficult circumstances. They expressed satisfaction that UNDP continued to follow closely the Governing Council and Executive Board decisions governing UNDP assistance to Myanmar and supported the need for continued assistance to the rural population in Myanmar within the framework of the existing mandate. One delegation confirmed that, based on the feedback received from its embassy in Yangon, the findings of the 2000 HDI Assessment Mission very appropriately reflected the marginal conditions of the majority of the population in the country and agreed that more could be done for the rural communities within the existing mandate.

81. Another delegation expressed the hope that the results achieved under HDI would support future economic adjustment efforts in finance and agriculture sectors. Those activities would enhance prospects for promoting dialogue within the country, as has been advocated by the Special Envoy of the Secretary-General. With reference to paragraph 48 of the note, the delegation sought clarification about the projected resource allocation for the next phase of the HDI and what resources had been mobilized to date.

82. Some delegations called for a smooth transition with UNHCR and supported the implementation of the BNAP at the earliest possible date. They urged the international community to support the programme. They also suggested that UNDP should have a clear strategy for the returnees to avoid a humanitarian crisis at the completion of UNHCR activities in Northern Rakhine State. Some delegations expressed the importance of carrying out the operational activities of the United Nations system in a more coordinated manner. One delegation inquired about the Government's position vis-à-vis the BNAP.

83. One delegation urged UNDP to consider addressing the issues relating to internally displaced persons (IDPs) in the country and to broaden its relationship with non-governmental organizations (NGOs) to advance HDI activities further. One delegation expressed the hope that UNDP would be allowed to cooperate with the Government in order to resume full-fledged country programming activities as soon as possible.

84. Some delegations stressed that UNDP should continue to inform the National League of Democracy of its project activities in the country.

UNDP response

85. The Resident Representative thanked delegations for their positive comments and guidance. On the allocation of resources for the next phase of the HDI, the Resident Representative reported that $20 million might be available from target for resource assignment from the core (TRAC) for the three-year period 2002-2004. To maintain the current momentum of HDI activities, approximately $50 million had been approved in accordance with Executive Board decision 98/14. Additional funds would be required to supplement TRAC resources to meet the needs of the target beneficiaries under the next HDI phase. He expressed the hope that resources would be mobilized for a joint United Nations programme to address more broadly the HIV/AIDS issues in the country. To date, non-core funds had not yet been mobilized except for a small amount of cost-sharing by Japan under the HDI.

86. The Resident Representative observed that UNDP had established working arrangements with a number of international and national NGOs since the first phase of the HDI, especially in micro-finance and HIV/AIDS. Many of those arrangements were expected to continue, as appropriate, during the next HDI phase. With respect to IDPs, the Resident Representative advised that UNDP was not in a position to address the issue directly but would support the activities undertaken by other United Nations organizations that had the mandate to address the issue. He observed further that UNDP had been actively involved in preparations for the proposed International Labour Organization (ILO) Mission scheduled to start on 17 September 2001. It would be the first time that such a mission would discuss the issue of IDPs.

87. Regarding the BNAP, the Resident Representative advised that in relation to the information contained in paragraph 49 of the note, a programme framework had been finalized in collaboration with other United Nations organizations, in particular UNHCR, and submitted to the Government for approval in May 2001. A response was expected shortly. UNHCR was in the process of preparing a contingency plan for the Northern Rakhine State with the support of UNDP pending the approval of the BNAP, following which, a donor meeting would be organized.

88. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific (RBAP), thanked Executive Board members for their interventions and recognition of the work being done by UNDP in Myanmar within the framework of the existing mandate. He also thanked the Board for acknowledging the excellent work of the Resident Representative and colleagues in Myanmar.

89. The representative of Myanmar expressed his appreciation to the Administrator, the Assistant Administrator and Director, RBAP, and the UNDP Resident Representative in Myanmar for their contributions and the high quality of the note. He also expressed gratitude to Executive Board members for adopting the proposals for continued UNDP assistance to Myanmar. He stressed that uninterrupted development assistance to Myanmar would benefit people especially the most vulnerable and disadvantaged segments. He urged that, given the encouraging results from HDI activities to date, Board members consider in future deliberations approving a standard country cooperation framework for Myanmar. He emphasized that the Government was totally committed to the economic development of the country and was ready to cooperate with the donor community in supporting programmes to meet the needs of the people.

90. The Executive Board adopted decision 2001/15 (see annex I).

VI. UNOPS: Financial, budgetary and administrative matters

91. The Executive Director of the United Nations Office for Project Services (UNOPS) introduced the report on the revised budget estimates for the biennium 2000-2001, the budget estimates for the biennium 2002-2003 and the level of the operational reserve (DP/2001/28 and Add.1) and the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) thereon (DP/2001/29).

92. After associating himself with previous speakers who had expressed sympathy and solidarity with the families of the victims of the events unfolding in the United States, he delivered a condensed statement in view of the exceptional circumstances and of the revised time frame for the meeting. He stated that programme expenditure in 2000 was lower than anticipated largely because of circumstances beyond the control of UNOPS, a conclusion supported by independent experts from the accounting firm KPMG and by the Office of Internal Oversight Services (OIOS) and that the revised budget for the biennium 2000-2001 ($110.5 million) was lower than the amount originally approved. Realistic budgeting had necessitated a reduction in the project delivery target for 2001 to $616 million, with related reductions in income and budget, as a result of uncertainty about the status of UNOPS vis-à-vis UNDP (ACABQ shared the Executive Director's concerns about the negative impact on UNOPS operations of prolonged deliberations on its future status). However, UNOPS had totally compensated for the decline in UNDP project acquisitions in the first half of 2001 by acquisitions from other United Nations partners and it had taken measures to reach a balanced budget for 2001 (e.g., deferment of investments, a freeze on new recruitments and on reclassifications and redeployment of staff to areas of increased demand), an effort commended by ACABQ. The Executive Director also indicated his support for the initiatives of the United Nations Development Group (UNDG) aimed at improving staff security.

93. With respect to the UNOPS budget estimates for the biennium 2002-2003, which reflected a further decrease in UNDP resources, the 2002 budget estimates appeared to be realistic whereas the project portfolio figure for 2003 was too small to serve as a basis for a meaningful detailed budget. Thus, the 2003 budget mirrored that for 2002, with revised budget estimates to be submitted to the Executive Board in September 2002. Replenishment of the operational reserve would begin with $1.5 million by the end of 2001, followed by the establishment of a replenishment plan in the spring of 2002, based on savings generated by the UNOPS organizational reform and targeting full replenishment by 2005. Details would be provided in the next annual report to the Board. The Executive Director also proposed a change in UNOPS Financial Regulation 8.3 (a) (iv) to enable funding of the provision of after-service medical and dental benefits to retired staff from the operational reserve (a change considered to be premature by the Management Coordination Committee (MCC) whereas ACABQ recommended Board approval). He also recommended a change in the method of determining the level of the reserve from a calculation based on a single year to one based on a three-year rolling average of the combined administrative and project expenditures.

94. In addressing earlier comments of the MCC with respect to the budget proposal, the Executive Director affirmed the reliability of the project requests signed by UNOPS clients; observed that greater diversification reduced UNOPS vulnerability to unanticipated situations; affirmed the adequacy of a 20 per cent

cushion for project commitments that might not materialize; and indicated his agreement with the recommendation that a time table be established for the replenishment of the operational reserve. He also assured the Executive Board that expenditures would be adjusted downward if the projected project budget level of $790 million were not reached. The adoption of an incentive-based approach to budgets for individual units would also provide a degree of flexibility that had previously not existed.

95. He indicated ACABQ support for the proposal to establish 45 additional posts, to be offset by the abolition of 32 posts, and concurred with the Advisory Committee's recommendation that the Administrator of UNDP and the Executive Director of UNOPS review the question of the future status of UNDP personnel working in UNOPS, suggesting that that be done within the framework of the Memorandum of Understanding of April 1997. UNOPS would inform ACABQ and the Executive Board of the feasibility of an ACABQ review of UNOPS budgets only every second year.

96. One delegation thanked the Executive Director for the informative documentation while another commented favourably on the clarity of his presentation. The balanced budget, client diversification and professionalism of UNOPS were seen as proof of the quality of the services it provided and its ability to serve as an executing agency for the entire United Nations system. Two delegations indicated their full support of the budget; two representatives also expressed pleasure at the positive response of ACABQ with regard to the budget. One delegation was concerned that the OIOS report had still not been presented to the Executive Board; two were hopeful that the matter would be resolved at the first regular session 2002. Further information was requested on the status and time frame of the process that would change the profile of UNOPS.

97. After thanking the delegations for their comments, the Executive Director provided a brief retrospective and an update on the reform process, which involved streamlining work flows, creating integrated teams, lowering costs and increasing productivity. The new structure, based on client accounts, would take advantage of the global nature of UNOPS and maintain support functions where they could be performed best and with the greatest cost-effectiveness. It was anticipated that a blueprint of the new organizational set-up would be available by the beginning of 2002, with implementation proceeding gradually during 2002. Cost savings from the restructuring would start to accumulate as of 2003.

98. The Executive Board adopted decision 2001/14 (see annex I).

UNFPA segment

VII. Country programmes and related matters

99. In opening the discussion on UNFPA country programmes and related matters, the President gave the floor to the delegation of Lebanon, which had asked to make a statement. The representative stated that as a result of Executive Board decision 2000/19, the classification of Lebanon under the Fund's resource allocation system had changed from that of a "B" to a "C" country, which could result in a potential decrease in allocations to his country. This was of concern because it might have harmful effects on the country's development. He said that although Lebanon was a medium-level country in terms of development indicators, such a determination did not take into account current concepts of development, which recognized factors beyond meeting the very basic needs of people and which took into account how resources were distributed. He said that in the case of his country, development had taken place chiefly in the areas of banking and real estate, which had had less effect on the country's social conditions than expected, leaving much of the population still impoverished. That situation had been aggravated by an economic recession since 1996.

100. The representative also pointed out that the particular indicators used under the resource allocation system of UNFPA, such as the infant mortality and adult female literacy rates, had shown no improvement in Lebanon in the years 1995-2000. Further, he said that the use of national averages hid the very pressing needs of certain geographical areas or segments of the population. He also regretted the reliance on quantitative indicators that did not indicate the quality of services available. He said that his Government had two goals: to bridge the gap between national averages and the least developed regions and to improve the quality of services. The representative was concerned that any decline in resources would have adverse effects on the ability of the Government to meet those goals and might even result in the loss of gains already made. He suggested that when the Fund made its allocations for Lebanon that other criteria be taken into consideration, including the country's humanitarian needs, especially in the south of the country. He expressed the desire that as a result of the important considerations that he had outlined, UNFPA would be able to achieve a level of funding that would make a meaningful difference in his country's development.

101. Following the statement of the representative of Lebanon, the President reported that no requests had been received by the secretariat for a separate discussion on any of the proposed UNFPA country programmes. Therefore, in line with the provisions of decision 97/12, the Executive Board approved the proposed country programmes for Bhutan, Eritrea, Ethiopia, Gambia, Mongolia, Morocco, Mozambique, Niger, Senegal, Sri Lanka, Sudan, Syrian Arab Republic and Thailand as well as additional resources for the programme for the English- and Dutch-speaking Caribbean countries. Following the approval of the country programmes, several delegations took the floor to make comments or pose questions about the programmes that had been approved.

102. Concerning Eritrea, one delegation asked whether it was wise to introduce female condoms in all six of the country's administrative regions; perhaps a pilot programme starting in one region would make more sense. The delegation also wondered whether UNFPA planned to assess access to health-care clinics in the

country, not just access to emergency obstetric care. As for Mozambique, the delegation wondered whether the UNFPA programme was not too ambitious and too extensive to make a real impact; it recommended that the Fund refocus its activities on areas where UNFPA had a comparative advantage, namely policy and advocacy. The delegation also stated that it viewed the scope of the Sudan programme to be too broad. It recommended that UNFPA focus on activities supporting midwives; the provision of contraceptives, including logistical support; and facilitation of collaboration with other donor to ensure equitable salaries for health practitioners. In the case of Senegal, the delegation wanted to know how the support being provided in the UNFPA programme to "Centres Ados" would complement the "Espaces Jeunes" initiative of the Government. The delegation said that a pilot study was being undertaken in two regions to test how contraceptives could be made part of the Bamako Initiative. If the study indicated that supplying contraceptives as essential drugs could be expanded nationally, the delegation urged UNFPA to advocate for appropriate government action.

103. One delegation stated that the request for $2 million of additional resources for the programme for the English- and Dutch-speaking Caribbean raised serious concerns about the management of the programme. Since the preparation and submission of timely expenditure reports should be a standard component of any programme, normally one would not expect an ex post facto need for additional resources. It asked what corrective measures were being taken and what initiatives were planned to design tighter financial monitoring and audit controls. The delegation hoped that these concerns would be fully addressed by the time the next Caribbean subregional programme was presented to the Executive Board. Another delegation concurred with these comments. Another delegation said that the additional resources for the Caribbean programme were well merited because the subregion was experiencing high rates of sexually transmitted infections (STIs) and HIV infection, which was now among the highest in the world. Addressing such concerns required regional-level interventions as well as those at the national level. The delegation was convinced that UNFPA was working cooperatively with all relevant partners to address these growing challenges.

104. One delegation stated that it supported all of the country programmes and felt that UNFPA was making a real difference in all of the countries where it was working. It did find, however, that the country programme documents were often descriptive and many lacked clearly defined outcomes. The delegation stated that it was important for UNFPA to learn from the results of its programme activities and, in order to do so, analysis of outcomes was crucial. The delegation said that it had stated the same concerns in earlier discussions about the multi-year funding framework (MYFF) if the goals of the International Conference on Population and Development (ICPD) and ICPD+5 were to be achieved.

105. The representative of Mongolia thanked the Executive Board for its support of the new five-year UNFPA programme for his country. He said that it was auspicious coming as it did on the occasion of the country's fortieth anniversary as a member of the United Nations. He reported that UNFPA had been actively engaged in Mongolia for a number of years and his Government was extremely satisfied with the cooperation provided by the Fund. The programme adopted by the Board would help Mongolia to meet the goals of the ICPD and ICPD+5 review. The Fund was working in close cooperation with the Government and with civil society in building national capacity in the areas of reproductive health and population and development

strategies. The result would be improved health for all Mongolians, especially women and children. He ended by thanking all the bilateral and multilateral donors that were helping in the development of his country.

106. The Deputy Executive Director (Programme) thanked the members of the Board for their approval of the country programmes and for the excellent suggestions and words of support that had been expressed during the discussion. He acknowledged the dedicated work that the UNFPA country offices were performing. In the case of the overexpenditures in the Caribbean subregion, he said that the Fund was working to improve its financial and programme management systems: that was one of the focuses of the transition process that was under way. In addition, he reported that the Fund was undertaking a revision of its programme guidelines in order to help country offices manage programmes more effectively. The new guidelines would be grounded in a results-based management approach that took into account the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF) and that ensured linkages with poverty reduction strategy papers (PRSPs) and sector-wide approaches (SWAps). These guidelines would be reflected in future country programmes presented to the Board.

107. The Cluster Manager for the Arab States reported that the next country programme for Lebanon was being developed and would encompass the period 2002-2006. She said that all of the issues raised by the representative of Lebanon would be taken into account in programme development. She agreed that national-level data hid the extent of need in many parts of the country, and she said that the Fund was working in the context of the Pan Arab Family Health Survey (PAPFAM) to develop data at subnational levels, concentrating on underserved areas. She reported that UNFPA was providing humanitarian assistance in the liberated areas of south Lebanon. She thanked the representative of Lebanon for his statement, which would help to guide the work of the Fund in his country.

108. As for Sudan, the Cluster Manager said that the comment about the need to train midwives was appropriate and that the Fund was concentrating on human resource development, especially of midwives, in the areas targeted by the country programme. She said that UNFPA had a comparative advantage in terms of contraceptive logistics management and that the programme would assist national counterparts to establish and maintain a sustainable logistics management system including building capacity for forecasting, procuring and distributing reproductive health commodities. The Fund would continue to procure contraceptives but would work to help set up a sustainable system. In addition to these areas, however, the Manager said that the Fund thought it very appropriate to focus also on such emerging issues as obtaining political support for the prevention of STIs and HIV/AIDS and for meeting the reproductive health needs of young people.

109. The Director of the Asia and Pacific Division thanked the delegations for their positive comments about the country programmes and said that the Fund would continue to work to make them more analytical, based on lessons learned and the analysis of national situations. In regard to the Mongolia country programme, he thanked the representative of Mongolia for his comments and said that the country's Government continued to work proactively with UNFPA in programme implementation. The Fund was very proud of its cooperation with the country, which was observing its fortieth anniversary as a Member of the United Nations.

110. The Director of the Africa Division said that the decision to expand the distribution of female condoms to all six administrative regions of Eritrea was based on the results of a 1997 pilot project. The follow-up study of that project had recommended that the provision of the female condom be expanded to all six regions. She reported that UNFPA was currently focusing on Asmara, Massawa and Assab regions with support from the Government of the United Kingdom in the amount of $60,000. She also reported that the reproductive health subprogramme was supporting a mapping exercise on emergency care that would include data on primary health-care centres. The collection and analysis of such data would be carried out in conjunction with the population and development strategies subprogramme.

111. In responding to the question as to whether UNFPA interventions in Mozambique were too extensive, the Director said that in terms of thematic coverage the programme would focus on two main areas. The first would be on adolescent reproductive health because of the high level of HIV infection in the 15-34 age group, especially the high rate among girls 15-19, which was higher than that of boys of the same age. The other focus would be on maternal mortality, given the high levels in the country. The programme was trying to develop an integrated approach to reproductive health services in order to make them more youth friendly and to improve the quality of obstetric services. The Fund's programme would also work in the area of national-level advocacy and policy development. It would work to build technical and institutional capacity both nationally and provincially, including the ability to collect and analyse relevant data. Gender mainstreaming would be part of all programme interventions. In addition to national and provincial-level interventions, there would also be activities in selected districts in the targeted provinces, which could eventually be scaled up by the Government.

112. As for Senegal, the Director said that the "Centres Ados" being supported by UNFPA would complement and support the "Espaces Jeunes" and that the two initiatives shared the same multi-purpose spaces. She said that the issue of making contraceptives part of the Bamako Initiative was a very important one. As stated during the discussion, the idea would be to include contraceptives as part of the essential drugs initiative. UNFPA would work with other partners in supporting the Government in establishing such a mechanism.

113. The Director of the Latin America and Caribbean Division acknowledged the concerns that delegations had expressed about the request for additional resources for the programme for the English- and Dutch-speaking Caribbean countries. She said that it was very exceptional for UNFPA, and for her region, to make such a request to the Executive Board. The causes for the overexpenditures in the programme encompassed problems with both managerial and financial oversight, as had been stated by the Deputy Executive Director (Programme). The concerns expressed by delegations were fully justified and were shared by the Fund's management, including the Latin America and Caribbean Division. She informed the Board that the overexpenditures had been fully used for Board-approved programme activities, especially for important and legitimate needs in the area of adolescent reproductive health. A substantive evaluation had underlined that the programme had made several notable achievements in the areas of advocacy and adolescent reproductive health.

114. The Director reported that corrective measures were being taken to see that such an overexpenditure did not arise again. These included Fund-wide measures to improve financial systems in order to allow for more accurate recording and timely monitoring of allocations and expenditures. Specific measures were being taken to improve the qualifications of the office and administrative staff of the subregional office. A new Representative would be taking over management of the programme, and a high level of managerial competence would be ensured in the person chosen. She also reported that UNFPA had recently strengthened its audit capacity. She strongly concurred with the delegation that had said that the rapid increase of HIV infection in the region required UNFPA to have a strong programme in the Caribbean subregion.

Programme of assistance to Myanmar

115. The Director of the Asia and Pacific Division introduced the proposed UNFPA programme of assistance to Myanmar (DP/FPA/MMR). He informed the Board that the proposed programme was designed to provide humanitarian assistance over four years to address three crucial challenges: the high rate of maternal mortality, the rapid expansion of HIV (2 per cent of pregnant women having been found to be infected), and the need for population and reproductive health data to support programme efforts.

116. The Director said that the proposed programme would target the most vulnerable groups of the population, working primarily in 72 townships. The programme would work in cooperation with the programmes of other United Nations agencies, including with UNICEF and UNAIDS in the area of HIV prevention, and with local and international NGOs. He reported that there were more and more NGOs working in the country, in large part because of the need to address the growing challenge of HIV/AIDS. He also stated that if the Board approved the proposed programme, UNFPA intended to augment its international staff in Myanmar, including through the appointment of a Chief of Operations resident in Yangon. The Director concluded by reiterating that the proposed programme was not a regular country programme but was designed to provide much-needed humanitarian assistance in certain programme areas; he hoped that it would be possible to develop a regular country programme at a later date.

117. One delegation expressed concern about the statement in document DP/FPA/MMR that the proposed UNFPA programme of assistance would work through the lower echelons of the public health infrastructure. The delegation said that might imply that the programme would provide unwarranted political legitimacy to the Government. It stressed that UNFPA activities should limit the level of interaction with governmental authorities at all levels. It also requested that UNFPA inform the opposition party in the country about the programme.

118. Another delegation stated that it had no substantive disagreements with the proposed programme but asked for a clarification as to what previous General Assembly or Executive Board legislation applied to the development of the UNFPA programme.

119. Another delegation said that it had taken note of the fact that UNFPA had been supporting small-scale reproductive health activities in Myanmar since 1973 but that the proposed programme represented a significant expansion of UNFPA support. In its view, such support was justified by the alarming statistics on maternal mortality and HIV/AIDS that were cited in the report before the Board. In light of the

overwhelming need, the delegation said that it supported the proposed programme but stated that UNFPA should take great care in implementation and monitoring to ensure that reproductive health information and services were delivered directly to those in need without any benefits accruing to the Government or military. It also urged UNFPA to work in collaboration with international and local NGOs and with UNAIDS in raising awareness of HIV/AIDS and in promoting behavioural change and developing prevention initiatives. The delegation agreed that, as spelled out in the programme document, UNFPA needed to work to address the unmet need for contraceptives and to support the collection, analysis and dissemination of reproductive health and HIV/AIDS data.

120. In his reply, the Director of the Asia and Pacific Division reiterated that the proposed programme would be implemented through local and international NGOs and in partnership with other United Nations agencies. In replying to the question concerning relevant legislation, he said that the Executive Board had never adopted any decision concerning UNFPA activities in Myanmar. The delegation that had posed the question then stated that while it had no substantive objections to the proposed programme, it felt that UNFPA needed to seek the direction of the Board in advance when clear guidance had not been previously expressed and that the Fund should not presume to know the views of the Board without a formal expression of them.

121. One delegation requested that the Fund report annually to the Executive Board at its annual session on the implementation of the UNFPA programme; that stipulation was agreed to by the Board in approving the programme of assistance to Myanmar.

122. Following the adoption of the programme of assistance, the representative of Myanmar thanked the members of the Executive Board and UNFPA for their support and stated that the focus of the programme on reproductive health had been tailored to meet the needs of the people of Myanmar.

VIII. Financial, budgetary and administrative matters

123. The Executive Director opened her statement to the Executive Board by saying that the Board was convening with heavy hearts full of sadness for the tragic events of 11 September 2001. She said that she prayed for tolerance among all peoples and countries, and she conveyed the condolences of the staff of UNFPA to the people and Government of the United States of America for the terrorist attacks they had suffered.

124. The Executive Director then introduced the UNFPA annual financial review for 2000 (document DP/FPA/2001/11). The review showed that the Fund was in a better financial position at the end of 2000 than it had been at the end of 1999, when the Fund had had to draw down its operational reserve by $26 million. The Executive Director reported that it had been possible to replenish the reserve during 2000. Regular income in 2000 had increased by $9.5 million over the previous year, and a conscious effort had been made to reduce expenditures. As a result, the Fund showed a net surplus of almost $50 million in 2000; those funds had been used to replenish the operational reserve, to provide additional funds for country programmes in 2001 and for certain other initiatives, such as improving connectivity with country offices. She also noted that contributions for other resources, including trust funds, had increased substantially, and she singled out the significant contributions of the Netherlands and the United Kingdom in support of reproductive health commodity security.

125. The Executive Director updated the Board on the transition exercise that was under way. One of the major parts of the transition was a reclassification of the posts at UNFPA headquarters, which had started in 1998, in order to bring their level in line with those of posts performing similar functions in other United Nations organizations. She reported that the overall goals of the transition exercise were to strengthen the Fund's institutional capacity, to build a highly connected organization, to establish a clear organizational identity and to create a shared culture throughout the Fund that was characterized by a striving for excellence.

126. One of the main activities of the transition exercise was a field needs assessment survey, which had been carried out in June and July 2001. As part of the exercise, four teams had visited 14 countries. The main theme that had emerged from the survey was the need for a truly interactive process at all levels of the organization, particularly between the field and headquarters. The results of the assessment dealt primarily with the Fund's organizational culture, its processes and procedures, intra-organizational relationships and its mindset. She enumerated several findings of the survey in each of these areas. The findings of the assessment were being circulated to all staff, asking for their reactions and comments. The findings and recommendations would be considered at a senior management retreat in mid-October, at which time decisions would be taken on which changes could be implemented immediately. Remaining recommendations would be sent to six transition working groups for their consideration on the best means of implementation.

127. The Executive Director then presented the proposed biennial support budget for 2002-2003, saying that the proposed budget represented an increase of $19.1 million over the appropriations for 2000-2001. She said that the increase needed to be analysed in its proper context. First of all, she said that UNFPA was addressing

numerous programmatic challenges, including ensuring that population was fully incorporated into poverty strategies and sector-wide approaches. Above all, the Fund had an important role to play in the HIV/AIDS crisis, especially in terms of reproductive health commodity security and advocacy. The Executive Director also enumerated several operational and administrative challenges that UNFPA was facing.

128. Of the $19.1 million in additional appropriations that was being requested, the Executive Director reported that 72 per cent would be for "cost" increases, i.e., increases in fixed costs such as rents, annual salary increases, and reimbursements to other parts of the United Nations system for services rendered, including for staff security, which was an increasingly important issue. The remaining 28 per cent of increases would be in "volume" — such new initiatives as ensuring connectivity of field offices, establishing a new resource management system, establishing certain new posts at headquarters, funding staff separation packages, enhancing staff training and absorbing the costs associated with the reclassification of posts she had just described.

129. The Executive Director reported that the process of change that the Fund was undergoing was not yet completed and could not be fully reflected in the budget proposals before the Board. She said that the results of the field needs assessment survey could affect the realignment of headquarters staff. Therefore, she proposed to present a revised budget to the Board at the second regular session 2002 that would provide a comprehensive and integrated view of the Fund's budgetary requirements based on the results of the field needs assessment, among others.

130. Discussing the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (document DP/FPA/2001/12), the Executive Director said that the committee had expressed several concerns. In response to questions raised about future resource projections, she said that based on the most recent estimates of contributions from the top 20 donors, she felt that the financial forecasts made in the budget document could be met. She clarified that the separation packages forecast in the budget were in addition to the regular process of retirements and said that such separations were a necessary management tool needed to reinvigorate the organization. She explained the necessity for each of the eight additional core Professional posts being requested at headquarters: there would be no net increase of posts at headquarters because two Professional posts were being transferred to the field and six General Service posts were being eliminated. She said that the proposed reclassification of posts was the culmination of a lengthy process whereby job descriptions were being realigned with actual work performed. Finally, she informed the Board that maintaining full audit capacity was one of the Fund's primary concerns.

131. The Executive Director concluded her report to the Board by saying that she recognized that the biennial budget estimates were higher as a percentage of total regular resources than in previous UNFPA budgets. This was a trend that would be watched closely, but the proposed budget reflected the Fund's needs if it was to meet its strategic goals. She said that the higher percentage was partly because previous resource estimates had been overly optimistic; she felt that the resource estimates being presented in the current budget proposal were realistic. In addition, the ratio of support budget to total regular resources was comparable to that of sister United Nations agencies and, in fact, was even favourable. She asked that the Board

approve the proposed biennial support budget knowing that the Fund would present a revised budget proposal based on a complete and comprehensive review, including the field needs assessment survey, at the second regular session 2002.

132. In responding to the Executive Director's presentation of the annual financial review for 2000 and the proposal for the biennial support budget for 2002-2003, one delegation, speaking for 16 others, said that it fully agreed that UNFPA had a crucial role to play in meeting the world's needs for reproductive health information and services and in meeting the goals of the International Conference on Population and Development (ICPD). In that regard, those delegations fully supported the Fund. The delegation said that the decline in regular resources in the 1990s was a worrying trend as was the shifting balance between regular and other resources. The delegation asked how those trends affected the Fund in achieving the goals that it had laid out in its multi-year funding framework. It also asked the Executive Director to share her views on the Global AIDS and Health Fund and on grant financing from the international financial institutions to that fund. The delegation also asked if UNFPA had established norms in relation to the ratio between direct and indirect costs in order to avoid over-expenditure on indirect costs.

133. The delegation said that it was sympathetic to the proposals being made in the biennial support budget for 2002-2003 regarding staffing. It said, however, that the Executive Director had stated that a clarification of the roles and functions of headquarters units was an important issue identified in the field needs assessment survey. The delegation felt that close attention needed to be paid to the outcomes of that survey in order to address the needs of both the field and headquarters in a holistic way. The delegation requested the Executive Director to report on the results of the survey and any consequences for the biennial support budget to the Executive Board at its second regular session 2002 after due consideration by the ACABQ. This request was endorsed by another delegation as well.

134. Another delegation concurred that UNFPA was carrying out a vital role and noted that the decline in regular resources had been reversed in the previous year and hoped that that signalled a continuing trend. This view was echoed by another delegation, saying that it felt that the new results-based management philosophy being instilled in the Fund would increase the confidence of the donor community and that such confidence could lead to a continued growth in regular resources. The delegation commended UNFPA for having reached its goal of 100 donor countries in 2000.

135. One delegation raised an issue that had been highlighted in the ACABQ report — the fact that non-core resources were only recovering 2.1 per cent for their administrative and operational support costs while they were supposed to be reimbursed at the rate of 7.5 per cent. That meant that regular resources were being used to pay the administrative costs of programmes paid for through other resources. Such a situation was not acceptable. Another delegation requested that in the future the biennial support budget document should have a fuller explanation of "other resources" included in the Fund's resource plan.

136. In replying to the comments and questions, the Executive Director said that she was grateful for the expressions of support for UNFPA and the value of its work in attaining the goals of the ICPD. She said that the overall decline in regular resources between 1995 and 1999 had certainly had an impact, most especially in the Fund's

ability to address the growing challenges of the AIDS pandemic. She said that any further decline would threaten the ICPD agenda and its implementation.

137. In speaking of the Global AIDS and Health Fund, the Executive Director said that as a member of the United Nations Development Group, the Fund had an important role to play in ensuring that emphasis continued to be placed on the prevention of HIV as well as on treatment. She said that AIDS had to be seen as a development issue that affected every part of society. The priority had to be in supporting country-level actions that responded to each country's needs and that in fact one of the valuable roles that UNFPA could play was in helping to develop national plans of action in this area. One specific action that needed to be taken was to strengthen the United Nations theme groups on HIV/AIDS in several countries. She also said that HIV was often being addressed as a sexually transmitted infection while a more effective approach might be to see it within an overall reproductive health framework that included actions on various levels to encourage positive behavioural changes. In such an effort, UNFPA would be uniquely well placed to provide support in that the Fund had a great deal of experience in dealing with sensitive issues, such as those surrounding the AIDS pandemic. She concluded by noting that the Global AIDS and Health Fund needed to be based on the supply of additional resources by the donor community, not by taking them away from other development efforts.

138. The Deputy Executive Director (Management) addressed the issue of recovering administrative costs from other resources. She noted that there were three types of such costs: (a) administrative and operational support (AOS); (b) managerial services support (MSS); and (c) recovery of costs for reimbursable procurement. She said that Executive Board decision 98/22 had set a level of 7.5 per cent for reimbursement of AOS costs and 5 per cent for MSS costs. However, she said that the Fund faced a dilemma: often when donors made contributions for specific purposes they did so on the stipulation that a much smaller percentage be used for administrative overhead than what was mandated. The Fund then had to decide if it was in a position to refuse contributions that would fund worthwhile activities. She pointed out to the Board that the proposed biennial support budget had estimated a net return to the Fund of $8.7 million from such recovery of costs, which was lower than the amount if full recovery according to the Executive Board decision was achieved. She said that this was a serious issue that needed to be addressed by the Fund working in consultation with the Executive Board and donor Governments.

139. The Executive Director concluded by saying that she had recently sent a letter asking for additional end-of-year donations to help in the important area of reproductive health commodity security; this was in addition to any other end-of-year contributions that donors might be able to make. She reported that for 2001 the Fund had set the goal of receiving contributions from 110 donor countries. She said that even though in some cases such donations would necessarily be small, they would be a concrete indication of the commitment of Governments to achieving the goals of the ICPD.

140. The Executive Board took note of the annual financial review for 2000 (DP/FPA/2001/11) and the report of the Advisory Committee on Administrative and Budgetary Questions on the estimates for the biennial support budget for 2002-2003 (DP/FPA/2001/12) and adopted decision 2001/16 (see annex I).

IX. Other matters

141. No issues were raised under agenda item 9.

142. The Executive Board concluded its work by adopting decision 2001/17 (see annex I).

Annex I

Decisions adopted by the Executive Board during 2001

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2001/1
Role of UNDP in crisis and post-conflict situations

The Executive Board

1. *Takes note* of the report on the role of the United Nations Development Programme in crisis and post-conflict situations (DP/2001/4 and Corr.1);

2. *Reaffirms* the core mandate of the United Nations Development Programme in promoting sustainable human development, as well as the requirement that its operations are in accordance with its mandate and principles, and at the request of the Government concerned;

3. *Recognizes* that crisis prevention and disaster mitigation should be integral parts of sustainable human development strategies and also recognizes that the United Nations Development Programme has some relevant operational experience in crisis and post-conflict situations;

4. *Reiterates* its serious concern about the low level of the core resources of the United Nations Development Programme and requests the Administrator to take all appropriate steps to augment these resources while also improving the quality of all services delivered by the Programme;

5. *Encourages* the United Nations Development Programme, in the context of the ongoing system-wide discussions, to play an advocacy role in promoting the fundamental importance of a long-term development perspective;

6. *Requests* the United Nations Development Programme, in its capacity as the manager of the resident coordinator system, to strengthen its coordinating role and its cooperation, in keeping with its core mandate, with other United Nations entities.

5 February 2001

2001/2
Technical cooperation among developing countries

The Executive Board

1. *Recalls* that the second cooperation framework for technical cooperation among developing countries 2001-2003 (DP/CF/TCDC/2) was approved on 31 January 2001 and also recalls General Assembly resolution 53/192 of 15 December 1998 and Economic and Social Council resolution 2000/19 of 28 July 2000;

2. *Notes* the lessons learned from the first cooperation framework, which include the need for synergy between, and complementarity with, other efforts of the United Nations Development Programme in this area, the need for a more systematic assessment of the impact of technical cooperation among developing countries and the need to focus on facilitating south-south capacity-building processes;

3. *Welcomes* the Administrator's efforts to enhance and mainstream technical cooperation among developing countries within the United Nations Development Programme and recognizes the unique role of the Special Unit for TCDC in these efforts;

4. *Appreciates* the contribution made to the South-South Trust Fund by a number of countries and other donors and encourages all partners to increase their efforts to support technical cooperation among developing countries, in particular through innovative models of south-south cooperation, recognizing that ongoing and new partnerships among developing countries and their regional organizations are a good basis for fostering development;

5. *Reiterates* its concern about the low level of core resources of the United Nations Development Programme, which in turn has affected the resources allocated to the Special Unit for TCDC;

6. *Requests* the Administrator to consider reviewing, in the context of the successor programming arrangements, the allocation of additional resources for activities involving technical cooperation among developing countries, taking into account the overall financial situation and the need for appropriate resources for other activities.

2 February 2001

2001/3
UNDP: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

1. *Notes* that considerable progress has been made by the United Nations Development Programme in implementing the recommendations of previous reports of the Board of Auditors and that action is being taken to address all recommendations made by the Board of Auditors in its report for the biennium 1998-1999;

2. *Welcomes* the measures described in document DP/2001/CRP.5 and urges the secretariat to take further appropriate measures to ensure the timely delivery of compliant and accurate financial statements according to the United Nations system accounting standards.

1 February 2001

2001/4
UNOPS: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

1. *Takes note* of the report on the follow-up to the recommendations of the Board of Auditors (DP/2001/8);

2. *Requests* the Executive Director to provide the Executive Board, at its first regular session 2002, with an updated overview of the implementation of the recommendations of the Board of Auditors, including follow-up action completed.

1 February 2001

2001/5
UNFPA: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

Takes note of the progress report provided by the Executive Director on the measures that have been taken or are planned in implementing the recommendations of the Board of Auditors for the biennium 1998-1999, as contained in document DP/FPA/2001/2.

1 February 2001

2001/6
Proposed common financial regulations concerning contributions from non-governmental sources

The Executive Board

1. *Takes note* of the report on common financial regulations concerning contributions from non-governmental sources (DP/FPA/2001/3 and DP/2001/9);

2. *Approves* the proposed common financial regulations as annexed to the present decision.

31 January 2001

Annex
Proposed common regulations

1. *First common regulation*

For UNFPA

"Contributions may be accepted by UNFPA from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA."

For UNDP

"Contributions may be accepted by UNDP from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNDP and utilized for the general support of UNDP or for purposes consistent with those of UNDP."

2. *Second common regulation*

For UNFPA

"The Executive Director shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide."

For UNDP

"The Administrator shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide."

3. In the implementation of the second common regulation, the following common new rule is established: "Individual contributions above a value of $100,000 received from intergovernmental, non-governmental, or private sector resources shall be reported annually to the Executive Board."

4. For UNFPA, the first common regulation replaces Financial Regulation 4.1, and Financial Regulation 4.9 is deleted. The second common regulation takes the place of the current Financial Regulation 4.11.

5. For UNDP, the first common financial regulation replaces current Financial Regulation 5.02, while the second common financial regulation replaces the current Financial Regulation 5.09.

2001/7
Overview of decisions adopted by the Executive Board at its first regular session 2001

The Executive Board

Recalls that during the first regular session 2001, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2001:

President: H.E. Mr. Gert Rosenthal (Guatemala)

Vice-President: Mr. Grant Robertson (New Zealand)

Vice-President: Mr. Azanaw Taddesse Abreha (Ethiopia)

Vice-President: Mr. Le Hoai Trung (Viet Nam)

Vice-President: Mr. Volodymyr G. Krokhmal (Ukraine)

Took note of the election by the Economic and Social Council of the delegation of Djibouti to replace the delegation of Comoros as a member of the Executive Board 2001-2003;

Approved the agenda and work plan for its first regular session 2001 (DP/2001/L.1 and Corr.1), as orally amended;

Approved the report of the third regular session 2000 (DP/2001/1);

Approved its annual work plan 2001 (DP/2001/3);

Agreed to postpone consideration of agenda item 8 on UNFPA Technical Advisory Programme from the second regular session 2001 to the first regular session 2002;

Agreed to its tentative work plan for the annual session 2001;

Agreed to the following schedule of future sessions of the Executive Board in 2001:

Annual session 2001:	11 to 22 June 2001 (New York)
Second regular session 2001:	10 to 14 September 2001

UNDP segment

Item 2
UNDP Business Plans, 2000-2003

Took note of the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2);

Took note of the report on the follow-up to the Ministerial Meeting of 11 September 2000 (DP/2001/CRP.3) with comments made thereon;

Adopted decision 2001/1 of 2 February 2001 on the role of UNDP in crisis and post-conflict situations;

Item 3
Country cooperation frameworks and related matters

Took note of the report on assistance to Myanmar (DP/2001/5) and requested the Administrator, taking into account the findings of the independent assessment mission to Myanmar, to submit, at the earliest possible date, for the consideration of the Executive Board, a proposal for continued United Nations Development Programme assistance to Myanmar in accordance with the guidelines established in Governing Council decision 93/21 and in Executive Board decisions 96/1 and 98/14;

Approved the following country cooperation frameworks:

First country cooperation framework for Turkey	DP/CCF/TUR/1
Second country cooperation framework for Bangladesh	DP/CCF/BGD/2
Second country cooperation framework for Belarus	DP/CCF/BLR/2

Second country cooperation framework for Bosnia and Herzegovina	DP/CCF/BIH/2 and Corr.1
Second country cooperation framework for Cambodia	DP/CCF/CMB/2
Second country cooperation framework for Croatia	DP/CCF/CRO/2
Second country cooperation framework for Georgia	DP/CCF/GEO/2
Second country cooperation framework for Latvia	DP/CCF/LAT/2
Second country cooperation framework for Lithuania	DP/CCF/LIT/2
Second country cooperation framework for Mauritius	DP/CCF/MAR/2
Second country cooperation framework for the Russian Federation	DP/CCF/RUS/2 and Corr.1
Second country cooperation framework for Saint Helena	DP/CCF/STH/2
Second country cooperation framework for Saudi Arabia	DP/CCF/SAU/2
Second country cooperation framework for Uganda	DP/CCF/UGA/2

Took note of the following extensions of country cooperation frameworks:

First extension of the first country cooperation framework for Burundi	DP/CCF/BDI/1/EXT.II
First extension of the first country cooperation framework for Kuwait	DP/CCF/KUW/1/EXT.I
First extension of the first country cooperation framework for the Lao People's Democratic Republic	DP/CCF/LAO/1/EXT.I
First extension of the first country cooperation framework for the Libyan Arab Jamahiriya	DP/CCF/LIB/1/EXT.I
First extension of the first country cooperation framework for Rwanda	DP/CCF/RWA/1/EXT.I
First extension of the first country cooperation framework for Syria	DP/CCF/SYR/1/EXT.I

Approved the following extensions of country and regional cooperation frameworks:

Second extension of the first country cooperation framework for Eritrea	DP/CCF/ERI/1/EXT.II
Second extension of the first country cooperatic framework for Estonia	DP/CCF/EST/1/EXT.II
Second extension of the first country cooperation framework for the Republic of Moldova	DP/CCF/MOL/1/EXT.II
Second extension of the first regional cooperation framework for Europe and the Commonwealth of Independent States	DP/RCF/REC/1/EXT.II

Took note of the following country and regional reviews:

First country review report for Lesotho	DP/CRR/LES/1
First country review report for Lithuania	DP/CRR/LIT/1
First country review report for Nepal	DP/CRR/NEP/1
First country review report for Yemen	DP/CRR/YEM/1 and Corr.1
Review of the first regional cooperation framework for the Arab States	DP/RRR/RAS/1

Approved the second global cooperation framework (DP/GCF/2);

Item 4
Technical cooperation among developing countries

Approved the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2);

Adopted decision 2001/2 of 2 February 2001 on technical cooperation among developing countries;

UNDP/UNFPA joint segment

Item 5
Reports to the Economic and Social Council

Took note of the reports of the UNDP Administrator (DP/2001/6) and the UNFPA Executive Director (DP/FPA/2001/1) to the Economic and Social Council and agreed to transmit them to the Economic and Social Council with comments made thereon;

Item 6
Recommendations of the Board of Auditors 1998-1999

Adopted decision 2001/3 of 1 February 2001 on UNDP: Follow-up to the report of the Board of Auditors 1998-1999;

Adopted decision 2001/4 of 1 February 2001 on UNOPS: Follow-up to the report of the Board of Auditors for 1998-1999;

Adopted decision 2001/5 of 1 February 2001 on UNFPA: Follow-up to the report of the Board of Auditors for 1998-1999;

Item 7
Financial, budgetary and administrative matters

Adopted decision 2001/6 of 31 January 2001 on the proposed common financial regulations concerning contributions from non-governmental sources (DP/FPA/2001/3 and DP/2001/9);

UNFPA segment

Item 8
Country programmes and related matters

Took note of the oral report on progress on implementing the 2000-2003 intercountry programme;

Approved the following programmes of assistance:

Assistance to the Government of Burkina Faso	DP/FPA/BFA/5
Assistance to the Government of Chad	DP/FPA/TCD/4
Assistance to the Government of Ghana	DP/FPA/GHA/4
Assistance to the Government of Namibia	DP/FPA/NAM/3
Assistance to the Government of Uganda	DP/FPA/UGA/5
Assistance to the Palestinian people	DP/FPA/PAPP/2
Assistance to the Government of Turkey	DP/FPA/TUR/3
Assistance to the Government of Indonesia	DP/FPA/INS/6
Assistance to the Government of Ecuador	DP/FPA/ECU/3
Assistance to the Government of Guatemala	DP/FPA/GTM/4
Assistance to the Government of Peru	DP/FPA/PER/6

Item 9
Other matters

Authorized the Bureau of the Executive Board to confirm the selection of representatives from the African States, the Asian States and the Latin America and Caribbean States to serve on the WHO/UNICEF/UNFPA Coordinating Committee on Health for a two-year term;

Took note of the oral report of the Executive Director of the United Nations Office for Project Services on the utilization of the operational reserve;

Item 10
Joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP

Held a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, on progress with the use of common country assessment indicator frameworks.

5 February 2001

2001/8
UNFPA information and communication strategy

The Executive Board

1. *Takes note* of the review of the UNFPA information and communication strategy contained in document DP/FPA/2001/6;

2. *Endorses* actions taken by UNFPA to strengthen its ability to carry out the information and communication strategy endorsed by the Executive Board in decision 97/13;

3. *Urges* UNFPA to continue to build on its past experience and to continue to develop innovative ways of implementing the Fund's information and communication strategy;

4. *Urges* the international community to increase its financial support for the promotion of the goals of the ICPD and ICPD+5.

12 June 2001

2001/9
UNFPA strategic plan for HIV/AIDS for 2001-2005

The Executive Board

1. *Takes note* of document DP/FPA/2001/9;

2. *Endorses* the proposed substantive focus for the years 2001-2005 with respect to HIV/AIDS as set forth in document DP/FPA/2001/9;

3. *Endorses* the Fund's overall approach to collaboration and coordination with the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the United Nations Development Group, and with other United Nations agencies and organizations, non-governmental organizations and the private sector;

4. *Recognizes* the experience and comparative advantage of UNFPA in fulfilling its lead role in implementing the goals of the International Conference on Population and Development (ICPD) and the benchmarks of the ICPD+5 and in making use of its extensive networks at the country level and, in that regard, requests UNFPA, in the context of the recommendations of the UNAIDS Programme

Coordinating Board,[1] to intensify its efforts and to take a more visible leadership role in the prevention of HIV infection, especially among young people;

5. *Encourages* UNFPA to build further on its experience in addressing gender issues, including the role of men, as an integral part of HIV-prevention activities;

6. *Also encourages* all Governments to support the efforts of UNFPA by increasing their commitment, including financial commitment, to curb and reverse the spread of HIV/AIDS in programme countries.

14 June 2001

2001/10
Annual report of the Executive Director of the United Nations Office for Project Services

The Executive Board

1. *Takes note* of the report of the Executive Director of the United Nations Office for Project Services (DP/2001/19);

2. *Also takes note* of the fact that a drawdown from the operational reserve of the United Nations Office for Project Services was effected in 2000, in the amount of $6.8 million, consisting of previously approved non-recurring expenditures of $3.0 million and a shortfall in 2000 income of $3.8 million;

3. *Requests* the Executive Director of the United Nations Office for Project Services to keep the parameters of the Office's financial model under close review and report on trends at the second regular session 2001 as part of the report on budget estimates for the current and future bienniums.

14 June 2001

2001/11
UNDP/UNFPA programming process

The Executive Board

1. *Reiterates* that the fundamental characteristics of the operational activities of the United Nations funds and programmes should be their universality, voluntary and grant nature, their neutrality and their multilateralism;

2. *Reaffirms* its decision 2000/12, and in this regard welcomes efforts made by the Executive Committee members of the United Nations Development Group towards further harmonization of programmes and standardization of procedures for their programmes;

[1] As contained under agenda item 2 of the United Nations System Strategic Plan on HIV/AIDS for 2001-2005 in the report of the Executive Director of UNAIDS on the eleventh meeting of the Programme Coordinating Board.

3. *Emphasizes* that the programming process should be country-led and country-driven, and based on national priorities and needs, and in this connection reaffirms that the national Government has the primary responsibility for the formulation of the country programmes, in consultation with relevant United Nations agencies, including specialized agencies, and other relevant partners, as appropriate;

4. *Stresses* the importance of further strengthening the resident coordinator system through the enhancement of the collaborative partnership among United Nations specialized agencies, funds and programmes at both headquarters and country levels with a view to greater coherence, synergy and coordination;

5. *Stresses* the importance of a country-specific framework on which the United Nations Development Group partners would base their programmes with a view to enhancing the impact of the operational activities for development of the United Nations system;

6. *Encourages* programme countries that have already developed or are planning to develop a common country assessment/United Nations Development Assistance Framework jointly undertaken and approved by the Government to use it, on a pilot basis, as the common planning framework for United Nations operational activities at the country level, with effect from the annual session 2002;

7. *Decides* that:

(a) The common programming process will be based on the existing common planning framework and that the national Government will develop the country outlines of the respective organizations in consultation with relevant United Nations agencies, including specialized agencies, and other relevant partners, as appropriate;

(b) The draft country outlines will highlight the main components of the proposed country programmes, such as priorities, strategies, outcomes and proposed budget;

(c) The draft country outlines will be presented to the Executive Boards for discussion at their annual sessions, and where applicable, the common country assessment/United Nations Development Assistance Framework will be made available for information;

(d) The Executive Board will review the draft country outlines, upon which the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund will assist the Government in finalizing the country programmes, taking into account comments made by the Board;

(e) The country programmes will be posted by October of the last year of the country programme on the web sites of the respective United Nations Development Group partners and will be approved in January on a no-objection basis without presentation or discussion, unless at least five members have informed the secretariat in writing before the meeting of their wish to bring a particular country programme before the Executive Board;

8. *Requests* the Administrator and the Executive Director to report to the Executive Board at its annual session in 2003 on common tools to monitor progress

and evaluate outcomes/results of respective country programmes with a view to further harmonizing and standardizing the programming process;

9. *Requests* the United Nations Development Group to refine further the programming process on the basis of the present decision, taking into account the comments made in the respective Executive Boards;

10. *Invites* the Executive Boards of the United Nations Children's Fund and the World Food Programme to discuss the programming process at their next sessions;

11. *Requests* the Administrator and the Executive Director to report to the Executive Board at its annual session 2004 on progress in implementing the present decision.

22 June 2001

2001/12
Overview of decisions adopted by the Executive Board at its annual session 2001

The Executive Board

Recalls that during the annual session 2001, it:

Item 1
Organizational matters

Elected Ms. Ginette Lachance (Canada) to the Vice-Presidency of the Board to replace Mr. Grant Robertson (New Zealand);

Approved the agenda and work plan for its annual session 2001 (DP/2001/L.2 and Corr.1) as orally amended;

Approved the report of the first regular session 2001 (DP/2001/11);

Agreed to the following schedule of sessions of the Executive Board in 2001 and 2002:

Second regular session 2001:	10-14 September 2001
First regular session 2002:	28 January-8 February 2002
Annual session 2002:	17-28 June 2002 (Geneva)
Second regular session 2002:	23-27 September 2002

Agreed to its tentative work plan for the second regular session 2001;

Held a special event on the occasion of the thirtieth anniversary of the United Nations Volunteers on 21 June 2001;

UNFPA segment

Item 2
Report of the Executive Director for 2000

Took note of the report of the Executive Director for 2000 (DP/FPA/2000/4 (Part I and Part I/Add.1, Part II, Part III and Part IV));

Item 3
Funding commitments to UNFPA

Took note of the report on the multi-year funding commitments to UNFPA (DP/FPA/2001/5);

Item 4
Information and communication strategy

Adopted decision 2001/8 of 12 June 2001 on the UNFPA information and communication strategy;

UNDP/UNFPA joint segment

Item 5
Programming process

Adopted decision 2001/11 of 22 June 2001 on the UNDP/UNFPA programming process;

Item 6
Internal audit and oversight

Took note of the reports on internal audit and oversight activities of the United Nations Development Programme (DP/2001/13), of the United Nations Population Fund (DP/FPA/2001/8) and of the United Nations Office for Project Services (DP/2001/15);

Item 7
Reports on field visits

Took note of the reports on the field visits to Honduras (DP/2001/CRP.6) and to Bosnia and Herzegovina (DP/2001/CRP.7);

Item 8
UNAIDS

Adopted decision 2001/9 of 14 June 2001 on UNFPA contributions to the United Nations strategic plan for HIV/AIDS for 2001-2005;

Decided to resume consideration of UNDP contributions to the United Nations strategic plan for HIV/AIDS (Economic and Social Council resolution 1999/36, paragraph 9) at its first regular session 2002;

UNDP segment

Item 9
Annual report of the Administrator

Took note of the annual report of the Administrator for 2000, including the results-oriented annual report for 2000 (DP/2001/14 and Add.1-3);

Item 10
United Nations Capital Development Fund

Took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2001/17) and agreed to postpone consideration of the evaluation of the impact of the Fund's programmes and projects requested in its decision 99/22 to the year 2004;

Item 11
Information technology for development

Took note of the report on the role of UNDP in information technology for development (DP/2001/CRP.8);

Item 12
Financial resources

Took note of the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9);

Took note of the report on issues and principles for possible improvements in the present arrangements for programme financing (DP/2001/CRP.10);

Item 13
Programme cooperation frameworks and related matters

Took note of the report on the options for new UNDP country programming instruments (DP/2001/CRP.11);

Approved the following country cooperation frameworks:

Second country cooperation framework for the Former Yugoslav Republic of Macedonia	DP/CCF/MCD/2
Second country cooperation framework for Tajikistan	DP/CCF/TAJ/2

Approved the second extension of the first country cooperation framework for Ukraine (DP/CCF/UKR/1/Ext.II);

Took note of the following extensions of country cooperation frameworks:

First extension of the first country cooperation framework for Algeria	DP/CCF/ALG/1/Ext.I
First extension of the first country cooperation framework for Lesotho	DP/CCF/LES/1/Ext.I
First extension of the first country cooperation framework for Namibia	DP/CCF/NAM/1/Ext.I

Item 14
United Nations Office for Project Services

Adopted decision 2001/10 of 14 June 2001 on the annual report of the UNOPS Executive Director (DP/2001/19);

Item 15
Evaluation

Decided to take up consideration of the evaluation of non-core funding resources (DP/2001/CRP.12) and the evaluation of direct execution (DP/2001/CRP.13) at its second regular session 2001;

Decided to postpone consideration of the overall relationship between UNDP and UNOPS to its second regular session 2001;

Item 16
Other matters

Took note of the oral report on the outcome of the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health, which took place on 19-20 April 2001;

Took note of the decisions of the High-level Committee on the Review of Technical Cooperation among Developing Countries adopted at its twelfth session, 29 May-1 June 2001.

22 June 2001

2001/13
UNDP budget estimates for the biennium 2002-2003

The Executive Board

A
Biennial budget

1. *Takes note* of the report of the Administrator on the biennial support budget estimates for the biennium 2002-2003, which is an integral part of the integrated resources framework of the multi-year funding framework as contained in document DP/2001/21;

2. *Also takes note* of the proposals of the Administrator on the financial framework and the related UNDP resource plan as contained in paragraphs 3 to 11 of document DP/2001/21;

3. *Further takes note* of the report of the Administrator on the improved performance by host-country Governments in meeting their contributions towards local office costs and encourages further improvement in this regard through all host-country Governments meeting their obligations;

4. *Takes note* of the report of the Administrator on the revised proportion of costs at the country-office level attributed to support of the operational activities of the United Nations system;

5. *Appreciates* the efforts of the Administrator to contain the overall budget; emphasizes the commitment of UNDP to least developed countries, and, taking into account the development needs of least developed countries as expressed in the Plan of Action adopted at the Third United Nations Conference on the Least Developed Countries; requests the Administrator to consider a reduced cut in the support budget for least developed countries;

6. *Takes note* of the proposals of the Administrator on human resources management as contained in paragraphs 101 to 103 of document DP/2001/21;

7. *Also takes note* of the proposals of the Administrator on information and communications technology as contained in paragraphs 104 to 109 of document DP/2001/21; and approves the request of the Administrator to set aside $11.4 million as a transitional reserve by a charge against the general balance of resources that could be offset by savings in the current budget;

8. *Further takes note* of the proposal of the Administrator on after-service health insurance as contained in paragraphs 116 to 118 of document DP/2001/21;

9. *Takes note* of the report of the proposal of the Administrator on UNDP provision for security of staff as contained in paragraph 119 to 124 of document DP/2001/21;

10. *Approves* gross appropriations in the amount of $566,889,700 for the purposes indicated below and resolves that the income estimates of $64,327,000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $502,562,700;

11. *Authorizes* the Administrator to redeploy resources between appropriations lines up to a maximum of five per cent of the appropriation line to which the resources are redeployed.

2002-2003 biennial support budget

(Thousands of United States dollars)

Programme support	
Country office	273 781.1
Headquarters	62 356.0
Subtotal	**336 137.1**
Management and administration	116 457.7
Support to the operational activities of the United Nations	
Country offices	81 778.8
United Nations Development Group Office	2 700.9
Inter-Agency Procurement Services Office	1 112.7
United Nations Volunteers	28 702.4
Subtotal	**114 294.8**
Total gross appropriations	566 889.7
Less estimated income	64 327.0
Estimated net appropriations	**502 562.7**

B
Funds

12. *Takes note* of the report of the Administrator on the biennial budget estimates for the biennium 2002-2003 for the United Nations Capital Development Fund and the United Nations Development Fund for Women as contained in document DP/2001/21;

13. *Approves* gross appropriations for each of the funds as follows:

2002-2003 biennial support budget

(Thousands of United States dollars)

	UNCDF	*UNIFEM*
Total appropriations	13 658.5	12 337.5

14. *Takes note* of the proposal by the Executive Director of the United Nations Development Fund for Women in paragraph 138 of document DP/2001/21 and requests that the Executive Director continue to ensure that all matters relating to staffing levels and grading will fully support the approved objectives set out in the Strategy and Business Plan, 2000-2003, and be proportionate with available financial resources.

14 September 2001

2001/14
UNOPS revised budget estimates for the biennium 2000-2001, budget estimates for the biennium 2002-2003, and report on the level of the operational reserve

The Executive Board

1. *Takes note* of the report of the Executive Director on revised budget estimates for the biennium 2000-2001, budget estimates for the biennium 2002-2003 and review of the level of the operational reserve (DP/2001/28 and Add.1) and of the report of the Advisory Committee on Administrative and Budgetary Questions thereon (DP/2001/29);

2. *Approves* the revised budget estimates for the 2000-2001 biennium in the amount of $110.6 million;

3. *Approves* the budget estimates for the 2002-2003 biennium in the amount of $113.0 million;

4. *Approves* the staffing level as proposed for the biennium 2000-2001;

5. *Approves* the modification to UNOPS Financial Regulation 8.3 (a) (iv), as contained in paragraph 40 of document DP/2001/28; and

6. *Approves* the proposal to change the basis for the calculation of the level of the UNOPS operational reserve to 4 per cent of the rolling average of the combined administrative and project expenditures for the three previous years.

13 September 2001

2001/15
Assistance to Myanmar

The Executive Board

1. *Takes note* of the proposals presented in chapter III of document DP/2001/27 for future assistance to Myanmar;

2. *Approves* continued funding of UNDP project activities for Myanmar from target for resource assignment from the core funding (approximately $22 million) in the sectors previously outlined in Governing Council decision 93/21, and confirmed in Executive Board decisions 96/1 and 98/14 for the three-year programme-planning period (January 2002 to December 2004);

3. *Authorizes* the Administrator to approve, on a project-by-project basis, HDI project extensions up to $50 million in the event that additional funding becomes available from non-core resources as mentioned in chapter IV of document DP/2001/27;

4. *Also authorizes* the Administrator to mobilize non-core resources in order to supplement limited core resources for HDI activities proposed for the programme-planning period (2002-2004) to be implemented in accordance with the guidelines set out in Governing Council decision 93/21 and Executive Board decisions 96/1 and 98/14.

14 September 2001

2001/16
UNFPA: Estimates for the biennial support budget for 2002-2003

The Executive Board

Having considered the 2002-2003 biennial support budget estimates of the United Nations Population Fund (UNFPA), as contained in document DP/FPA/2001/10;

1. *Approves* gross appropriations in the amount of $168.3 million for the purposes indicated below and resolves that the income estimates of $21.8 million shall be used to offset the gross appropriations, resulting in estimated net appropriations of $146.5 million;

2002-2003 biennial support budget

(In thousands of United States dollars)

Programme support	
Country offices	82 064.0
Headquarters	37 585.2
Subtotal	**119 649.2**
Management and administration of the organization	48 611.0
Total gross appropriations	168 260.2
Less: Estimated income to the budget	(21 800.0)
Estimated net appropriations	**146 460.2**

2. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of five per cent of the appropriation to which the resources are redeployed;

3. *Urges* the Executive Director to implement the foreseen reclassification of posts with the highest possible prudence and transparency, especially as to possible contradictions with requirements deriving from the Field Needs Assessment Survey;

4. *Requests* the Executive Director to submit a comprehensive human resource development strategy for adoption at the second regular session 2002;

5. *Also requests* the Executive Director to submit proposed revisions to the biennial support budget for 2002-2003 that arise from further review of organizational requirements, including the Field Needs Assessment Survey, at the second regular session 2002.

14 September 2001

2001/17
Overview of decisions adopted by the Executive Board at its second regular session 2001

The Executive Board

Recalls that during the second regular session 2001, it:

Item 1
Organizational matters

Approved the agenda and work plan for its second regular session 2001 (DP/2001/L.3 and Corr.1) as orally amended;

Approved the list of items to be taken up by the Executive Board in the year 2002 (DP/2001/CRP.16) as orally amended;

Agreed to its tentative work plan for the first regular session 2002;

Agreed to the following schedule of sessions of the Executive Board in 2002:

First regular session 2002:	28 January-8 February 2002
Annual session 2002:	17-28 June 2002 (Geneva)
Second regular session 2002:	23-27 September 2002

Took note of the proposals on rationalization of documentation and streamlining of working methods of the Executive Board (DP/2001/CRP.17-DP/FPA/2001/CRP.2) with comments made thereon;

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2001/13 of 14 September 2001 on UNDP budget estimates for the biennium 2002-2003;

Took note of the report on the annual review of the financial situation 2000 for UNDP (DP/2001/22 and Add.1);

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on budget estimates for the biennium 2002-2003 (DP/2001/24);

Took note of the information on United Nations system technical cooperation expenditure, 2000 (DP/2001/30 and Corr.1 and DP/2001/30/Add.1);

Took note of the amendment to the UNDP financial rules (DP/2001/CRP.18);

Item 3
Multi-year funding framework

Took note of the report on the update on the multi-year funding framework and revised integrated resources framework (DP/2001/25);

Item 4
Evaluation

Decided to postpone consideration of agenda item 4 to the first regular session 2002;

Stressed its responsibility for providing strategic direction to UNDP and UNOPS on follow-up to the evaluation of their relationship; and, recalling its decisions 2000/16 and 2000/22 on document DP/2000/35, expressed the wish to receive the report of the Office of Internal Oversight Services on the matter together with the related comments of the Secretary-General as well as those of UNDP and UNOPS no later than mid-November 2001;

Item 5
Country cooperation frameworks and related matters

Adopted decision 2001/15 of 14 September 2001 on assistance to Myanmar;

Approved the second regional cooperation framework for Asia and the Pacific (DP/RCF/RAP/2);

Took note of the following country review reports:

Country review report for Ghana	DP/CRR/GHA/1
Country review report for the Democratic People's Republic of Korea	DP/CRR/DRK/1
Country review report for Egypt	DP/CRR/EGY/1
Country review report for the Republic of Moldova	DP/CRR/MOL/1
Country review report for Brazil	DP/CRR/BRA/1
Country review report for Guyana	DP/CRR/GUY/1

Approved the following country cooperation frameworks:

Second country cooperation framework for Burkina Faso	DP/CCF/BKF/2

Second country cooperation framework for Burundi	DP/CCF/BDI/2
Second country cooperation framework for Chad	DP/CCF/CHD/2 and Corr.1 (F only)
Second country cooperation framework for Gambia	DP/CCF/GAM/2
Second country cooperation framework for Lesotho	DP/CCF/LES/2
Second country cooperation framework for Malawi	DP/CCF/MLW/2
Second country cooperation framework for Mozambique	DP/CCF/MOZ/2
Second country cooperation framework for Senegal	DP/CCF/SEN/2
Second country cooperation framework for Swaziland	DP/CCF/SWA/2
Second country cooperation framework for Togo	DP/CCF/TOG/2
Second country cooperation framework for the United Republic of Tanzania	DP/CCF/URT/2
Second country cooperation framework for Zambia	DP/CCF/ZAM/2
Second country cooperation framework for Bhutan	DP/CCF/BHU/2
Second country cooperation framework for China	DP/CCF/CPR/2
Second country cooperation framework for the Democratic People's Republic of Korea	DP/CCF/DRK/2
Second country cooperation framework for Indonesia	DP/CCF/INS/2
Second country cooperation framework for Mongolia	DP/CCF/MON/2
Second country cooperation framework for Nepal	DP/CCF/NEP/2
Second country cooperation framework for Sri Lanka	DP/CCF/SRL/2
Second country cooperation framework for the Republic of Moldova	DP/CCF/MOL/2
Second country cooperation framework for Brazil	DP/CCF/BRA/2
Second country cooperation framework for Chile	DP/CCF/CHI/2
Second country cooperation framework for Guatemala	DP/CCF/GUA/2
Second country cooperation framework for Peru	DP/CCF/PER/2
Second country cooperation framework for Uruguay	DP/CCF/URU/2

Approved the first subregional cooperation framework for the Caribbean (DP/SCF/CAR/1);

Approved the second extension of the first country cooperation framework for Argentina (DP/CCF/ARG/1/EXT.II);

Took note of the following extensions of country cooperation frameworks:

First extension of the first country cooperation framework for Benin	DP/CCF/BEN/1/EXT.I
First extension of the first country cooperation framework for Comoros	DP/CCF/COI/1/EXT.I
First extension of the first country cooperation framework for Côte d'Ivoire	DP/CCF/IVC/1/EX 1
First extension of the first country cooperation framework for Ghana	DP/CCF/GHA/1/EXT.I
First extension of the first country cooperation framework for Mauritania	DP/CCF/MAU/1/EXT.I
First extension of the first country cooperation framework for Fiji	DP/CCF/FIJ/1/EXT.I
First extension of the first country cooperation framework for the Federated States of Micronesia	DP/CCF/FSM/1/EXT.I
First extension of the first country cooperation framework for India	DP/CCF/IND/1/EXT.I
First extension of the first country cooperation framework for Kiribati	DP/CCF/KIR/1/EXT.I
First extension of the first country cooperation framework for the Marshall Islands	DP/CCF/MAS/1/EXT.I
First extension of the first country cooperation framework for Niue	DP/CCF/NIU/1/EXT.I
First extension of the first country cooperation framework for Palau	DP/CCF/PLU/1/EXT.I
First extension of the first country cooperation framework for Papua New Guinea	DP/CCF/PNG/1/EXT.I
First extension of the first country cooperation framework for Samoa	DP/CCF/SAM/1/EXT.I
First extension of the first country cooperation framework for the Solomon Islands	DP/CCF/SOI/1/EXT.I
First extension of the first country cooperation framework for Tonga	DP/CCF/TON/1/EXT.I
First extension of the first country cooperation framework for Tuvalu	DP/CCF/TUV/1/EXT.I
First extension of the first country cooperation framework for Vanuatu	DP/CCF/VAN/1/EXT.I

Took note of the report on Nauru: earmarkings from the target for resource assignment from the core (DP/2001/31);

Item 6
UNOPS: Financial, budgetary and administrative matters

Adopted decision 2001/14 of 13 September 2001 on UNOPS revised budget estimates for the biennium 2000-2001 and budget estimates for the biennium 2002-2003;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the UNOPS revised budget estimates for the biennium 2001-2002 and budget estimates for the biennium 2002-2003 (DP/2001/29);

UNFPA segment

Item 7
Country programmes and related matters

Approved the following programmes of assistance:

Assistance to the Government of Bhutan	DP/FPA/BTN/4
Assistance to the Government of Eritrea	DP/FPA/ERI/2
Assistance to the Government of Ethiopia	DP/FPA/ETH/5
Assistance to the Government of the Gambia	DP/FPA/GMB/5
Assistance to the Government of Mongolia	DP/FPA/MNG/3
Assistance to the Government of Morocco	DP/FPA/MAR/6
Assistance to the Government of Mozambique	DP/FPA/MOZ/6
Assistance to the Government of Niger	DP/FPA/NER/5
Assistance to the Government of Senegal	DP/FPA/SEN/5
Assistance to the Government of Sri Lanka	DP/FPA/LKA/6
Assistance to the Government of Sudan	DP/FPA/SDN/4
Assistance to the Government of Syrian Arab Republic	DP/FPA/SYR/6
Assistance to the Government of Thailand	DP/FPA/THA/8

Approved the request for additional resources for the UNFPA programme for the English- and Dutch-speaking Caribbean countries (DP/FPA/CP/179/EXT.1);

Approved the UNFPA programme of assistance to Myanmar (DP/FPA/MMR) and requested the Executive Director to report annually on its implementation to the Executive Board at its annual session;

Item 8
Financial, budgetary and administrative matters

Adopted decision 2001/16 of 14 September 2001 on UNFPA estimates for the biennial support budget for 2002-2003;

Took note of the annual financial review, 2000 (DP/FPA/2001/11);

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA estimates for the biennial support budget for 2002-2003 (DP/FPA/2001/12);

Item 9
Other matters

Annex II

Membership of the Executive Board in 2001

(Term expires on the last day of the year indicated)

African States: Comoros (2004); Democratic Republic of the Congo (2003); Djibouti (2003); Egypt (2002); Gabon (2003); Mauritania (2003); Mozambique (2003); Togo (2002).

Asian and Pacific States: China (2003); Indonesia (2002); Iran (Islamic Republic of) (2003); Pakistan (2004); Philippines (2003); Viet Nam (2002); Yemen (2004).

Latin American and Caribbean States: Antigua and Barbuda (2004); Brazil (2002); Ecuador (2003); Honduras (2002); Peru (2004).

Eastern European States: Bulgaria (2003); Czech Republic (2004); Romania (2004); Russian Federation (2002).

Western European and other States: Belgium (2002); Canada (2004); Denmark (2002); Finland (2003); Japan (2002); Luxembourg (2003); Netherlands (2002); Spain (2003); Switzerland (2004); Turkey (2003); United Kingdom (2004); United States (2004).

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